

The Clerk read the further resolution as follows:

Resolved, That, as a further mark of respect to the memory of the late Representatives MANN, KINKAID, and MONTOYA, this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT.

Accordingly (at 3 o'clock and 56 minutes p. m.) the House adjourned until to-morrow, Monday, January 15, 1923, at 12 o'clock noon.

SENATE.

MONDAY, January 15, 1923.

(Legislative day of Tuesday, January 9, 1923.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. JONES of Washington. Mr. President, I think it was the understanding that we would take up the rural-credits measure this morning, so I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	George	McKellar	Simmons
Bayard	Gerry	McLean	Smith
Borah	Glass	McNary	Smoot
Brookhart	Harrell	Moses	Stanfield
Broussard	Harris	Nelson	Sterling
Bursum	Harrison	New	Sutherland
Calder	Heflin	Nicholson	Swanson
Cameron	Hitchcock	Norbeck	Townsend
Capper	Johnson	Norris	Wadsworth
Colt	Jones, N. Mex.	Oddie	Walsh, Mass.
Couzens	Jones, Wash.	Pepper	Walsh, Mont.
Culberson	Keyes	Pittman	Warren
Curtis	Ladd	Ransdell	Watson
Ernst	La Follette	Reed, Pa.	Weller
Fernald	Lenroot	Robinson	Willis
Fletcher	Lodge	Sheppard	
Frelinghuysen	McCumber	Shields	

Mr. SMITH. I take this opportunity to announce that my colleague [Mr. DIAL] is absent on account of the death of a relative. I ask that this announcement may stand for the day.

Mr. ODDIE. I wish to announce that the Senator from Washington [Mr. POINDESTER] and the Senator from Maine [Mr. HALE] are absent on official business in connection with the work of the Committee on Naval Affairs.

The VICE PRESIDENT. Sixty-six Senators have answered to their names. A quorum is present.

REPORT OF NATIONAL SOCIETY OF DAUGHTERS OF AMERICAN REVOLUTION.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the National Society of the Daughters of the American Revolution, which was referred to the Committee on Printing.

DEPARTMENTAL USE OF AUTOMOBILES.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, as chairman of the Federal Power Commission, reporting, in response to Senate Resolution 399, agreed to January 6, 1923, that the commission has no passenger automobile or other motor vehicle and has made no allowances for upkeep or other expenses connected with any privately owned automobile or motor vehicle, which was ordered to lie on the table.

He also laid before the Senate a communication from the chairman of the United States Tariff Commission, reporting, in response to Senate Resolution 399, agreed to January 6, 1923, that the commission uses no passenger automobiles or other vehicles of any kind; that it makes no allowances for privately owned automobiles; that it maintains no garages; that it does not hire or rent any such vehicles; and that these statements apply to points outside of as well as in the District of Columbia, which was ordered to lie on the table.

SENATOR FROM RHODE ISLAND.

Mr. COLT presented the credentials of PETER GOELET GERRY, chosen a Senator from the State of Rhode Island for the term of six years beginning the 4th day of March, 1923, which were read and ordered to be placed on file, as follows:

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS,
Executive Chamber, Providence.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:
This is to certify that on the 7th day of November, A. D. 1922, PETER GOELET GERRY was duly chosen by the qualified electors of the State of Rhode Island and Providence Plantations a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning the 4th day of March, 1923.

In testimony whereof I have hereunto set my hand and caused to be affixed the great seal of the State of Rhode Island and Providence Plantations.

Done at the city of Providence this 11th day of January, A. D. 1923.
[SEAL.] WILLIAM S. FLYNN, Governor.

By the governor:

ERNEST L. SPRAGUE,
Deputy Secretary of State.

SENATOR FROM MICHIGAN.

The PRESIDING OFFICER (Mr. MOSES in the chair) laid before the Senate the credentials of WOODBRIDGE N. FERRIS, chosen a Senator from the State of Michigan for the term of six years beginning the 4th day of March, 1923, which were read and ordered to be placed on file, as follows:

STATE OF MICHIGAN,
Executive Office, Lansing.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:
This is to certify that on the 7th day of November, 1922, WOODBRIDGE N. FERRIS was duly chosen by the qualified electors of the State of Michigan a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1923.

Witness: His excellency, our governor, Alexander J. Groesbeck, and our seal hereto affixed at Lansing this 11th day of January, in the year of our Lord 1923.

[SEAL.]

By the governor:

ALEX. J. GROESBECK, Governor.

CHARLES J. DELAND,
Secretary of State.

PETITIONS AND MEMORIALS.

Mr. WARREN presented a resolution of the Washakie National Farm Loan Association, of Worland, Wyo., favoring the passage of legislation amending the Federal farm loan act, which was referred to the Committee on Banking and Currency.

Mr. WILLIS presented resolutions adopted by the Judge Blair Bible Class of the Second Presbyterian Church, at Portsmouth, Ohio, favoring the enactment of legislation to make offenses against the eighteenth amendment to the Constitution and laws passed thereunder punishable by imprisonment, which were referred to the Committee on the Judiciary.

Mr. LADD presented the petition of Ada Endres and 53 other citizens of Fort Yates, N. Dak., praying for the passage of legislation extending immediate aid to the famine-stricken peoples of the German and Austrian Republics, which was referred to the Committee on Foreign Relations.

He also presented a petition of 29 citizens of Bottineau County, N. Dak., praying for the prompt passage of legislation to stabilize the prices of farm products, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions of the Bowbells National Farm Loan Association of Bowbells, the White Earth National Farm Loan Association of White Earth, the Van Hook National Farm Loan Association of Van Hook, the Glen Ullin National Farm Loan Association of Glen Ullin, the Northern Griggs County National Farm Loan Association of Binford, and the Garrison National Farm Loan Association of Garrison, all in the State of North Dakota, protesting against the passage of House bill 13125, the so-called Strong bill, amending certain sections of the Federal farm loan act, or any other proposed legislation which would essentially impair the features of the Federal farm loan act as originally enacted, which were referred to the Committee on Banking and Currency.

PROPOSED ECONOMIC CONFERENCE.

Mr. CAPPER. I ask to have printed in the RECORD a telegram from the Lions Club, of Wichita, Kans., urging Congress to authorize the President to call a conference of all the leading nations to consider international problems. I ask that the telegram be referred to the Committee on Foreign Relations and printed in the RECORD.

There being no objection, the telegram was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

[Western Union Telegram.]

WICHITA, KANS., January 12, 1923.

Hon. ARTHUR CAPPER,

United States Senator from Kansas,
Washington, D. C.:

We herewith respectfully submit a resolution unanimously passed on January 10, 1923, by the Lions Club, of Wichita, Kans.

"Whereas there are serious economic and financial problems as a result of failure to arrive at a fair and just understanding among nations after the World War; and

"Whereas such problems must be solved before any of the nations can hope to return to normal financial and peaceful basis; and

"Whereas it has been demonstrated beyond peradventure of a doubt that no reasonable basis for a return of normal conditions financially, economically, and commercially and no lasting peace can be established among the nations without the cooperation of all the nations of the earth: Therefore, be it

"Resolved by the Lions Club of the City of Wichita, Kans., That Congress be urged to authorize and empower the President to call a

conference of all the leading nations at an early date for the purpose of arriving at a just and equitable understanding of the many difficult problems that have confronted the peoples of all countries ever since the signing of the armistice and which is threatening to again plunge the whole world into a disastrous conflict."

THE LIONS CLUB OF WICHITA, KANS.

REPORTS OF COMMITTEES.

Mr. STANFIELD, from the Committee on Claims, to which was referred the bill (S. 1528) for the relief of Sophie K. Stephens, reported it with an amendment and submitted a report (No. 1007) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 4275) incorporating the Supreme Lodge of the World, Loyal Order of Moose, reported it without amendment and submitted a report (No. 1009) thereon.

Mr. STERLING, from the Committee on Immigration, to which was referred the bill (S. 4092) providing for the admission into the United States of certain refugees from near eastern countries, reported it with an amendment and submitted a report (No. 1010) thereon.

Mr. NELSON, from the Committee on the Judiciary, to which was referred the concurrent resolution (H. Con. Res. 53) to create a joint committee of the Senate and House of Representatives to determine what employment can be furnished Federal prisoners, and for other purposes, reported it with an amendment and submitted a report (No. 1011) thereon.

Mr. NELSON, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 4176) to amend section 370 of the Revised Statutes of the United States (Rept. No. 1012); and

A bill (H. R. 10817) to amend section 100 of the Judicial Code of the United States (Rept. No. 1013).

Mr. NORBECK, from the Committee on Banking and Currency, submitted a minority report on the bill (S. 4287) to provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal farm loan act; to amend the Federal reserve act; and for other purposes, which was ordered to be printed as part 2 of Report No. 1003.

COLUMBIA RIVER BRIDGE.

Mr. CALDER. From the Committee on Commerce I report back favorably without amendment the bill (S. 4260) to extend the time for the construction of a bridge over the Columbia River, between the States of Oregon and Washington, at a point approximately 5 miles upstream from Dalles City, Wasco County, in the State of Oregon, and I submit a report (No. 1008) thereon. The Senator from Oregon [Mr. McNARY] is anxious to have the bill passed, and I ask unanimous consent for its present consideration.

Mr. UNDERWOOD. Is the bill in the usual form?

Mr. CALDER. I assure the Senator that it is.

There being no objection, the bill was considered as in Committee of the Whole; and it was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge, authorized by act of Congress approved January 21, 1922, to be built by The Dalles Oregon-Washington Toll Bridge Co., a corporation of the State of Oregon, its successors and assigns, over the Columbia River, at a point approximately 5 miles upstream from Dalles City, Wasco County, in the State of Oregon, to a point on the opposite shore in the State of Washington, are hereby extended one and three years, respectively, from the date of approval hereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SWANSON:

A bill (S. 4338) for the relief of the Southern Transportation Co.;

A bill (S. 4339) for the relief of the Fred E. Jones Dredging Co.; and

A bill (S. 4340) for the relief of Joseph M. Clark & Co.; to the Committee on Claims.

By Mr. JONES of Washington:

A bill (S. 4341) granting the consent of Congress to the Oregon-Washington Bridge Co. and its successors to construct a toll bridge across the Columbia River at or near the city of Hood River, Oreg.; to the Committee on Commerce.

By Mr. CALDER:

A bill (S. 4342) to amend paragraph 403 of schedule 4, section 1, Title I, and paragraph 1703 of schedule 15 of section 201 of Title II of the tariff act of 1922; to the Committee on Finance.

By Mr. FLETCHER:

A bill (S. 4343) for the relief of the legal or equitable owners or claimants of the United States steamship *Nueces*; to the Committee on Claims.

By Mr. MCKELLAR:

A bill (S. 4344) granting an increase of pension to Margaret Howell Butler; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 4345) for the relief of E. J. Reynolds; to the Committee on Claims.

By Mr. BALL:

A bill (S. 4346) granting the consent of Congress to the Delaware State highway department to construct a bridge across the Nanticoke River; to the Committee on Commerce.

By Mr. CALDER:

A bill (S. 4347) granting a pension to Louise Blue; to the Committee on Pensions.

A bill (S. 4348) for the relief of various owners of vessels and cargoes damaged by the United States ship *Lamberton*; to the Committee on Claims.

By Mr. FRELINGHUYSEN:

A joint resolution (S. J. Res. 268) establishing a commission to investigate lynching; to the Committee on the Judiciary.

PENSIONS AND INCREASE OF PENSIONS.

Mr. NELSON submitted an amendment intended to be proposed by him to the bill (S. 4305) granting an increase of pension to certain soldiers of the Mexican War and Civil War and their widows and minor children, widows of the War of 1812, Army nurses, and for other purposes, which was referred to the Committee on Pensions and ordered to be printed.

RURAL MARKETING AND CREDIT FACILITIES.

Mr. MCKELLAR submitted an amendment and Mr. NORBECK submitted two amendments intended to be proposed by them to the bill (S. 4280) to provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal reserve act; to amend the Federal farm loan act; to extend and stabilize the market for United States bonds and other securities; to provide fiscal agents for the United States; and for other purposes, which were ordered to lie on the table and to be printed.

DISTRIBUTION OF NITRATES.

Mr. GEORGE submitted the following resolution (S. Res. 405), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the President be requested, if the terms and conditions are such as to authorize it, to purchase under the provisions of the joint resolution (S. J. Res. 265) to stimulate crop production in the United States, passed by the Senate on January 13, 1923, the 28,000 tons and such other excess nitrates now held and advertised for sale by the War Department for distribution, and to distribute the same under the terms of said joint resolution.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 251) providing for the filling of two vacancies that will occur on January 14, 1923, and March 1, 1923, respectively, in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 7658. An act to amend the act approved August 25, 1919, entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes";

H. R. 13374. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1924, and for other purposes; and

H. R. 13615. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1923, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes.

SPEECH OF MR. BOYDEN BEFORE THE REPARATION COMMISSION.

Mr. BORAH. I ask to have printed in the RECORD, in 8-point type, what is claimed by the press to be an official report of Mr. Boyden's speech a few days ago at the time the Reparation Commission had to do with declaring a default in the German payment.

There being no objection, the matter referred to was ordered to be printed in the RECORD, in 8-point type, as follows:

BOYDEN SPEECH ON REPARATION TREATY—OFFICIAL RECORD OF HIS PLEA IN EXTENUATION OF GERMANY'S WOOD AND COAL DEFAULT—SIDED WITH BRADBURY—ARGUED THAT REPARATION BOARD SHOULD REPORT EXTENT OF INTENTION ENTERING INTO FAILURE.

[By Edwin L. James. Copyright, 1923, by the New York Times Co. Special Cable to the New York Times.]

PARIS, January 13.—I have obtained an official record of what Roland Boyden, the American member of the Reparation Commission, said to the commission on January 9, when French action against Germany was decided upon. This procès verbal, read and approved by Mr. Boyden, shows that the American commissioner declared that the reparations provisions of the Versailles treaty were impossible; that this impossibility had seriously affected Germany's financial situation; that it had caused great loss of money to the Allies and would continue to do so until the treaty conditions were changed.

Mr. Boyden made it plain that he was speaking in a personal capacity. However, it was generally accepted by the other commissioners that his views coincided with those of the American Government.

In view of the approaching probability of further French action to carry out the provisions which the American delegate has characterized as impossible, special importance attaches to what he said.

The official record follows:

REMARKS MADE BY MR. BOYDEN AT THE REPARATION COMMISSION MEETING, JANUARY 9, 1923.

"Mr. Boyden stated that, not being one of the official judges as were his colleagues, it would be easy for him to remain silent, but he preferred to assume his own responsibility in his personal capacity as they assumed theirs in their official capacity. In English and American courts it was not uncommon for a person of judicial education to sit with official judges as 'amicus curiæ,' and, though in fact not a judge, to express his own personal view. Mr. Boyden endeavored to form an opinion upon the judicial aspect of the situation.

"Paragraph 17, annex 2, referred to default, and paragraph 18 referred to voluntary default. Mr. Boyden was in agreement with the decision of the commission that in both cases voluntary default was intended.

"What was voluntary default? One excuse for nonperformance would be recognized by all, viz, 'Force majeure,' but in Mr. Boyden's view the expression 'voluntary default' included other excuses. It meant the doing or failure to do something with knowledge at the time that action or failure to act might reasonably have an effect resulting in default.

"There was in Mr. Boyden's view a very considerable difference between the question then under discussion and the question as it had arisen in connection with the deliveries of timber. The demand for timber was a single demand. The main reason for the timber default seemed to consist in difficulties which arose from depreciation of the mark. These difficulties were of an extraordinary nature, such as had never before arisen in Germany, and it was easily conceivable that the persons who had to meet them did not at once see how to meet them, and did not realize at the time that their failure to do certain things promptly would result in default. Nevertheless Mr. Boyden was inclined to think that even in connection with wood there had been voluntary default within the meaning of the treaty.

COAL QUESTION DIFFERENT.

"The difference between the timber question and the coal question lay in the fact that the coal requirements were monthly requirements. The Germans faced with deficits in any month ought at once to have taken whatever precautions were necessary to see that those difficulties, whatever they had been, were avoided during the next month. They had failed to do that and the deficits had continued month after month.

"One further judicial point arose, to which Sir John Bradbury referred in connection with the purpose of paragraph 17. In Sir John Bradbury's opinion, the purpose of that paragraph was to enable the commission to appeal to the Governments only when the measures at its command had proved inadequate to enforce obedience. That was a perfectly comprehen-

sible interpretation and explained in large part the difference between Sir John Bradbury and his colleague as to the action to be taken. Mr. Boyden's own reading of paragraph 17 was, however, different. In his view the commission was required to report any voluntary default forthwith, partly for the information of the Governments and partly to enable the Governments to take such action as they thought fit.

"Mr. Boyden recognized that previous action of the commission with respect to coal defaults had not been consistent with that interpretation, for the commission had not automatically reported defaults as they had arisen. Although this previous practice did not in his view represent the waiver of a right it was, nevertheless, a practical fact which should be taken into account, particularly by the Governments themselves in whatever action they might take.

"From the judicial point of view he was of the opinion that the argument put forward by the German delegation to the effect that in private contracts a deficiency of 10 per cent did not constitute a default was of no value. The treaty did not contemplate application of any such commercial custom to its provisions.

"With regard to the letter of March 21, Mr. Boyden considered the commission did not by its terms abandon its right under the treaty to report voluntary default. He did not remember exactly what views his colleagues then held, but it might be taken for granted that the language used would not have been accepted by certain delegates if they thought it eliminated the possibility of reporting voluntary default.

"The argument to which the German delegation attached most weight was that concerning the needs of Germany as indicated by her importation of nearly as much coal as she was delivering to the Allies. Legally that argument seemed to him applicable not to the question of voluntary default but to the decision of the commission as to the demands made on Germany.

"This argument would have weight if used to show that the commission's decision upon the amount of coal which Germany could supply without due interference with its industrial requirements was incorrect. But the commission's decision remained a decision unless changed, and Germany's industrial requirements had nothing to do with Germany's obligations to carry out the decision so long as it was not changed.

"But having expressed his view of the legal situation, Mr. Boyden desired to add several to the foregoing considerations, particularly in regard to Germany's need for coal and her importation of coal from abroad. The previous practice of the commission with respect to coal default and the commission's letter of March 21 had a practical bearing on the situation, which would naturally be taken into account by the Governments after the commission reported the default.

"The report by the commission on wood default seemed to him to be very defective. When reporting voluntary default it was of the utmost importance for the commission to report the extent of the intention which had entered into that default. The commission was a tribunal which found the accused guilty; punishment would be meted out by another tribunal. It was therefore of the greatest importance that the exact nature of the crime should be reported by the commission so that punishment by the Governments might fit the crime.

"Mr. Boyden agreed with Sir John Bradbury that the word 'punishment' was not appropriate, and that the real purpose of the provision was constructive. The real point was that the report should be made in such a way as to aid the Governments in adopting methods which would lead to constructive results. But it was of equal importance that the quality of the crime should be made plain in the report, whether the results were to be punitive or constructive. The commission in its report on coal deliveries should set forth not merely the fact of default but also the causes of default and all extenuating circumstances. It was only upon such a basis that the Governments could fairly perform their duty in the matter.

"If Mr. Boyden were asked to express in a few words what Germany had failed to do he would say Germany failed to take those exceptional and rather extraordinary measures month by month which were necessary to cope with difficulties which the experience of previous months had shown would arise.

"It was understandable that Germany's opinion of her own requirements should affect her attitude. Her opinion on this point and the facts on this point were both of great importance in connection with the extent of Germany's default. The report should emphasize the percentage which expressed the real extent of the default. While the default was important from a financial point of view, as M. Delacroix had explained, Ger-

many had made a very considerable effort in a very difficult matter and had attained a very large measure of success.

"Mr. Boyden had hitherto confined himself to voluntary default on the part of Germany and the reasons which tend to lessen her culpability. If, however, he were making a report he would go further and would deal with the whole question of the failure of Germany in executing her obligations under the treaty and would explain that the conditions imposed by the treaty had been demonstrated by experience to be impossible and that that impossibility had affected not only Germany's financial situation and her financial obligations to the Allies but also her obligation like these in respect to coal and wood.

"He would further express the opinion which he had already expressed before the commission that continuance of these conditions had already resulted in great loss of money to the Allies and would result in still further loss so long as they were maintained."

REGENTS OF SMITHSONIAN INSTITUTION.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 251) providing for the filling of two vacancies that will occur on January 14, 1923, and March 1, 1923, respectively, in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which were on page 1, line 3, to strike out "two vacancies" and insert "vacancy"; on page 1, lines 7 and 8, to strike out "of John B. Henderson" and insert "that Frederick A. Delano"; on page 1, lines 8 and 9, to strike out "whose term will expire March 1, 1923" and insert "be appointed to succeed John B. Henderson, deceased"; and to amend the title so as to read "Joint resolution providing for the filling of two vacancies in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress."

Mr. LODGE. I move that the Senate concur in the amendments, which were made necessary by the death of Mr. Henderson.

The motion was agreed to.

PURCHASE AND SALE OF FARM PRODUCTS.

Mr. JONES of Washington. I ask unanimous consent that House bill 12817, the unfinished business, may be temporarily laid aside in order that the Senator from Connecticut [Mr. McLEAN] may call up the rural credits measure.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, the pending motion before the Senate on the unfinished business is a motion made by me to take up the bill (S. 4050) to provide for the purchase and sale of farm products, reported by the Committee on Agriculture and Forestry. The motion was made by me several weeks ago. The effect of the motion, if it prevails, would be to lay aside Senate bill 12817, the so-called ship subsidy bill, and take up that measure for consideration.

If the Senate is anxious to consider legislation in relation to the farmer, some of us at least, though we may be a small minority, think this bill of greater importance than any that has yet been reported. However that may be, and however Senators may disagree, it is a bill applying directly to the agricultural situation.

I have not been responsible for the delay in reaching a vote on my motion. By a unanimous-consent agreement entered into on the 21st of December last, in order to make it unnecessary for me to renew the motion from day to day, it was agreed that the motion should be considered pending whenever the ship subsidy bill was before the Senate. No other motion is in order on the ship subsidy bill until my motion is disposed of. No other motion to take up any other bill is in order until my motion is disposed of.

Mr. SIMMONS. Mr. President, may I ask the Senator from Nebraska a question?

Mr. NORRIS. Certainly.

Mr. SIMMONS. Is the Senator from Nebraska reading a unanimous-consent agreement which he is proposing to the Senate?

Mr. NORRIS. I am not reading at all; I am speaking extemporaneously.

Mr. SIMMONS. Does the Senator contend that it would be out of order, should his motion be agreed to, to move to proceed to the consideration of some other farm credit bill?

Mr. NORRIS. Oh, no; I make no such contention. If the motion which I have made, and which is now pending, should prevail, that would place before the Senate the bill named in my motion. It would then be in order, of course, for any Senator to move to take up any other bill or any other subject, but my motion is not susceptible of amendment or substitution.

Mr. SIMMONS. I now understand the Senator from Nebraska.

Mr. NORRIS. The motion must first be decided.

As I was about to state, Mr. President, I have not been responsible for the long delay in voting on the motion. I think those of us who favor this proposed legislation are now entitled to a vote on the motion, and I therefore object to laying aside the unfinished business until the motion shall have been disposed of.

The VICE PRESIDENT. There is objection.

Mr. JONES of Washington. Mr. President, I wish to say that the Senator from Nebraska [Mr. NORRIS] is not responsible for the delay in voting upon his motion; there is no question about that. In order that we may dispose of the matter and proceed to the consideration of the farm-credit measures, which the Senator from Connecticut [Mr. McLEAN] is now ready to bring up, I trust that we may have a vote upon the motion of the Senator from Nebraska.

Mr. NORRIS. Mr. President, I ask for the yeas and nays on my motion.

The yeas and nays were ordered.

Mr. HARRISON. Mr. President, in a discussion of the pending motion some weeks ago I stated that I expected to vote for it. I made that statement because I believed that the subject of agricultural credits should take precedence over that of ship subsidy. I have been very glad to have the motion pending, in order that the Banking and Currency Committee might have an opportunity to consider the various bills before it and report favorably on some measure, in order that the Senate then might consider the question and agree upon some substitute for the bill reported out of the Committee on Agriculture and Forestry.

I have never favored the so-called Norris bill. Certain features of it I opposed, particularly that which gave to the Federal Government the power to buy agricultural products, to hold them, and to operate warehouses and elevators; but there were one or two other features of the bill which I favored.

I am in favor of both bills, with some amendments, which have been reported out of the Committee on Banking and Currency. That bill has received the consideration of groups of Senators as well as of the Joint Commission on Agricultural Inquiry. It was recommended by that commission for passage a year ago; and it seems now, with the indorsement of the President of the United States as well as of other high officials of the Government who have seen the light, that we shall be able to enact that proposed legislation with certain amendments.

If the motion of the Senator from Nebraska shall prevail, of course we might substitute for the bill, to the consideration of which he proposes the Senate shall proceed, the measure reported out of the Committee on Banking and Currency, namely, the Lenroot-Anderson bill, provided a motion for that purpose should receive a majority of the votes here. However, here is the trouble about that: When that bill shall go to conference friends of the measure should be appointed the conferees upon it; in other words, it would not be fair to those who shall vote for the Lenroot-Anderson bill, with or without modifications, that gentlemen should be appointed as conferees on the bill in the conference between the House and the Senate who are opposed to the measure and who might favor the Norris bill. Since the adoption of the motion of the Senator from Nebraska [Mr. NORRIS] would bring before the Senate the so-called Norris bill, if the Lenroot-Anderson bill should be substituted for it, the Presiding Officer might naturally appoint Senators as conferees on the part of the Senate who have championed the Norris bill and who have favored the motion to take it up. They rank high on the Committee on Agriculture and Forestry. The Senate would then be in the attitude of having Senators as conferees on the bill who did not favor what the Senate had done but who favored the Norris proposal.

It seems to me that the best thing to do, since the Lenroot-Anderson bill has been reported out of the committee and is now on the calendar, is to vote down the motion of the Senator from Nebraska and then take up the Lenroot-Anderson bill, consider that measure and pass it, and thus insure that there shall be appointed as conferees on the part of the Senate in the conference between the two Houses those who are wholeheartedly in favor of the Lenroot-Anderson bill. For that reason I shall vote against the motion of the Senator from Nebraska with the hope and, indeed, the expectation, I may say, that immediately—for I understand that is the program on the other side of the Chamber—the Senator from Washington [Mr. JONES] will temporarily withdraw the ship subsidy bill, and that the Senator from Connecticut [Mr. McLEAN] will then

move the consideration of the Lenroot-Anderson bill or the Capper bill, as the case may be, seriatim, in order that the Senate may consider and pass those two measures immediately and get them over to the other House and into conference.

Mr. JONES of Washington. Mr. President—

Mr. HARRISON. I yield to the Senator from Washington.

Mr. JONES of Washington. I merely wish to state that if the motion of the Senator from Nebraska [Mr. NORRIS] shall be voted down, I shall then ask that the unfinished business be temporarily laid aside, in order that the Senator from Connecticut may call up the bill reported from his committee.

Mr. HARRISON. May I ask the Senator from Connecticut if that is his intention?

Mr. McLEAN. Yes; it is my intention to call up for consideration Senate bill 4280, which is the so-called Capper bill.

Mr. HARRISON. It is the intention that the Capper bill shall be first called up and disposed of and that then the Senate shall immediately proceed to the consideration of the Lenroot-Anderson bill?

Mr. McLEAN. That is correct.

Mr. SWANSON. I desire to ask the Senator from Connecticut another question. Suppose unanimous consent shall not be granted for the consideration of the bill named by him; will the Senator from Connecticut then make the motion that the Senate proceed to its consideration?

Mr. McLEAN. I certainly shall do so.

Mr. HARRISON. Mr. President, that is all I desire shall be done.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS. Mr. President, the argument made by the Senator from Mississippi [Mr. HARRISON] is both ingenious and unique. I presume he is speaking not only for himself but, in view of the questions which other Senators have asked, also in behalf of several other Senators. The main object to be attained, in order that the farmers of America may have the benefit of some good legislation, is that the conference committee on the part of the Senate shall be appointed from the membership of the Banking and Currency Committee rather than from the membership of the Agricultural Committee. Of course, Mr. President, the farmers of America ought to understand that those Members of the Senate who are on the Agricultural Committee, which is charged with the responsibility of dealing with the interests of the farmers, are not the friends of legislation for the farmers, but that they must look to the Banking and Currency Committee to secure such legislation, and that there must be selected from the Banking and Currency Committee members of the conference committee on the part of the Senate in order to secure legislation for the benefit of the farmers. Far be it from me, Mr. President, to cast any reflection upon the members of the Banking and Currency Committee or to question their sincerity or their intention to do what in their judgment is the proper thing to be done.

Mr. McLEAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. NORRIS. Yes.

Mr. McLEAN. I call the Senator's attention to the fact that the Lenroot bill has been recommended by the Joint Commission on Agricultural Inquiry and that the members of that commission on the part of the Senate were the Senator from Wisconsin [Mr. LENROOT], the Senator from Kansas [Mr. CAPPER], the Senator from Oregon [Mr. McNARY], the Senator from Arkansas [Mr. ROBINSON], and the Senator from Mississippi [Mr. HARRISON]. It does not seem to me that the farmers were ignored so far as the membership of that joint commission was concerned, and the Lenroot bill attempts to carry out the suggestions and conclusions of that commission.

Mr. NORRIS. The argument of the Senator from Connecticut is likewise ingenious and is on all fours with the argument of the Senator from Mississippi. The impression may be gathered from what the Senator from Connecticut has said that the bill which he is going to ask to have considered next has been recommended by members of the Senate Agricultural Committee. The fact remains that the bill has been reported by the Committee on Banking and Currency, of which I believe none of the Senators whom he mentions are members, so consequently none of them could be on the conference committee.

Why do Senators become suspicious at once? I have not made an argument against that bill; I have not said a word against it; I am not fighting that bill; I am merely calling attention to the fact that the argument made by the Senator from Mississippi, backed up by the Senator from Connecticut, would result in placing on the conference committee members

of the Banking and Currency Committee rather than members of the Agricultural Committee. In answer to that the Senator from Connecticut calls attention to the fact that the bill to which he refers was drawn up by the joint commission of which certain Members of the Senate, whom he named, were members; but, Mr. President, those Senators will not be on the conference committee. The Senator desires friends of the proposed legislation on the conference committee, and that is proper, and it may be implied from what the Senator has said that the Senators mentioned would probably be on the conference committee, whereas anyone who will look into the question will know that they will not be members of the conference committee when that committee shall have been appointed. However, I took the floor principally for the purpose of resenting in a way the imputation that in order to secure legislation for the benefit of the farmer the Agricultural Committee of the Senate must be ignored and the members of that committee must be kept off the conference committee.

Mr. President, I have not examined it sufficiently to know whether the suggestions of the originators of the bill reported by the Senator from Connecticut have been carried out in the bill as presented from the Banking and Currency Committee; I do not know to what extent they may have amended the bill.

Now let me return to the argument of the Senator from Mississippi, and let me take it up where I was interrupted by the Senator from Connecticut. The Senator from Mississippi has outlined a parliamentary procedure that will undoubtedly not take place. If the motion which I have made should prevail, he has assumed in that event that the Capper bill and the Lenroot bill, neither one of which I am opposing, and which have been reported from the Banking and Currency Committee, will be substituted for my bill after it shall have been taken up. It is not at all likely that that will happen. On the other hand, the probabilities are that if the motion should prevail and the bill named in the motion shall be laid before the Senate, it will be followed by a motion of the Senator from Connecticut to take up for consideration one of the other bills, and he has already told us that it is not going to be the bill that was recommended by the joint commission.

If the majority of the Senate believe that bill to be of more importance to the agriculturists of the country than this one, they will vote to take it up; and this bill then will be displaced, the same as my motion, if it prevails, will displace the ship subsidy bill; so that the conferees will come from the sanctioning committee of the Senate known as the Banking and Currency Committee. On the other hand, if that does not take place, if the procedure outlined by the Senator from Mississippi is followed, and all of this bill that I have moved to take up is stricken out except the enacting clause, and that bill is inserted, I assume that the Presiding Officer will appoint members of the Banking and Currency Committee to the conference committee, and not members of the Agricultural Committee. I should think he ought to do that; and certainly the Presiding Officer has no prejudice in favor of the Agricultural Committee. No one will charge that; so that if that happens the dear old Banking and Currency Committee would probably have its members on the conference committee just the same. So far as I am concerned, if that does happen, I think they ought to be put on. I would not want to be on the conference committee. I am not a candidate for a position on the conference committee, simply because I believe in all fairness that when that bill passes, whether it is now or later, the conference committee ought to be named from the Banking and Currency Committee. I think that would be fair.

Mr. President, there ought to be no conflict between the bill that I have moved to take up and either one of the bills mentioned by the Senator from Connecticut. If the Senators have only been fooling along, using this motion that I have made as a bumper, waiting for the Banking and Currency Committee to get ready, then they will vote down this motion. Then the motion will be defeated, and it can be followed by another motion by the Senator from Connecticut.

I am willing to agree now, if it will help the bill that I have proposed, that I shall not be one of the members of the conference committee if it shall pass. Get them from the Banking and Currency Committee or some other committee, if you want to. I am not going to argue the merits of this question, because I have been over it once, and I realize that whatever I may say can not affect and will not affect the vote of any Member of the Senate; but, according to my belief, there is not a bill pending in the Senate that will do the farmers of America as much good as the one that is included in this motion. All I am asking is that we have a fair, honest vote. If a majority of the Senate want to turn it down, they will have their way. There

is nothing particularly bad about it. I think they will make a mistake if they do it, but I may be wrong; they may be right. Whatever the result, I of course will, as gracefully as an awkward man knows how to do, accept the verdict; but I am unwilling that there shall be any camouflage here upon this motion. I am unwilling that we should give out to the country an insinuation that if this bill is taken up, and the other bill finally is taken up and passed, something is going to happen on the conference committee on the part of the chairman of the Agricultural Committee that is unfair or unjust to the farmers of America. I am unwilling that we should vote on it on the assumption, even, that members of the Agricultural Committee who were members of the joint commission will be on the conference committee when the other bill is passed.

I expect to support both of the other bills, unless I am convinced upon the discussion of them that there is more harm than good in them. I am favorably inclined toward them—toward the subjects, at least. I think we ought to legislate on them. I do not want the Senate or the country to get in the attitude of placing those bills against this one. All of them ought to be passed. They are not antagonistic. There is no reason why all of them should not be passed, and all be enforced, and good come from all of them.

Mr. FLETCHER. Mr. President, this motion has been pending for some time. For a week or two weeks, at least, it has been before the Senate. Inasmuch as if the motion should prevail it would displace the ship subsidy bill, it has met with considerable discussion; and, the ship subsidy bill having been from time to time laid aside at the request of the chairman of the committee, the motion itself has been laid aside.

For over 10 days I have had a mass of material which I wanted to submit to the Senate bearing especially on the question of ship subsidy, but I have had no opportunity; and I am a little afraid that some of it will be somewhat stale and perhaps out of date before we take up the ship subsidy bill again. However, it is material and pertinent, and perhaps will keep to the time when the chairman of the committee is ready to allow the Senate to proceed with the ship subsidy measure.

It has been heralded through the press from time to time that those opposed to ship subsidy were resorting to tactics here which amounted almost to a filibuster to prevent the consideration of that measure. The fact is, however, that we have been ready and prepared to discuss ship subsidy every day since the bill has been here. Some of us have been anxious for an opportunity to continue the discussion, but the bill has been laid aside. I do not criticize the chairman of the committee. He saw that in the public interest that was the proper course to pursue when we had supply bills before the Senate, and that he should lay aside his bill and let us consider the appropriation bills. Those bills have been considered promptly and expeditiously, without any attempt at delay on the part of anybody; and yet, because those bills have taken the place of the ship subsidy bill, opponents of ship subsidy have been charged with delaying matters in order that there might not be a vote on the ship subsidy bill.

Mr. JONES of Washington. Mr. President—

Mr. FLETCHER. I do not say that the chairman of the committee has done that at all.

Mr. JONES of Washington. The Senator knows that I have not.

Mr. FLETCHER. I know that the Senator has been quite reasonable about that and has had no part in it; but some newspapers, and particularly those newspapers that apparently like the name of subsidy, to which no sort of terror comes when the word "subsidy" is used, that are especially fond of it, apparently, want to make capital out of that situation at the expense of those who in good faith believe that legislation to be vicious and bad.

However, the time has come now when we are to act upon rural-credit legislation. I think both sides of the Chamber are anxious to proceed with that question. We may have some little difference in detail as to whether or not the measures now proposed before the Senate entirely meet the situation, but we are in agreement upon the broad proposition that something ought to be done to meet the needs of agriculture by providing a financial system that will accommodate the farmers in the matter of their short-time personal credits, and in the matter of the marketing and distribution of their products.

The question now, therefore, is which one of these measures will be taken up. The Senator from Nebraska [Mr. NORRIS], having made this motion some time ago, desires now to have it settled, and desires a vote upon it; and I feel that we ought to accommodate him in that respect, because we are confronted

with a situation where this subject of rural credits is to be taken up by the Senate in one form or another. Therefore I do not care to continue the discussion of the motion any further, since the Senator from Nebraska desires it to be acted upon at this time, and I am prepared to vote on the question.

Mr. SIMMONS. Mr. President, as I have stated heretofore upon the floor of the Senate, I am not in favor of the bill known as the Norris bill reported by the Agricultural Committee; but frankness requires me to say that I know, from letters and resolutions that have come to my attention, that there are a great many farmers in this country who are in favor of the Norris bill. There are organizations of farmers in the United States who have expressly approved that bill and who believe that it will afford agriculture in certain sections of the country more ample relief than any of the other bills.

I do not agree with them. I do not think it would be wise legislation. I do not like the principle involved in it, and I do not believe that it will meet the evil of which the farmers complain; but, Mr. President, I should not like to cast a vote summarily to cut off this body from consideration of that measure. I think it is entitled to have the consideration of the Senate. If we should vote not to take it up, that would be construed as a vote not to consider it, and I am not willing to cast that sort of vote. Opposed to it as I am, I am perfectly willing that it shall have a test in the Senate.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes.

Mr. LENROOT. May I call the Senator's attention to the parliamentary situation that would arise? If the Norris bill is taken up, of course it is in order to offer an amendment in the form of a substitute to that bill, but no other substitute can be offered to it until that is voted upon. The Senator has a rural credit bill; and if the Norris bill should be taken up, and the chairman of the committee should offer the committee bill as a substitute for the Norris bill, the Senator never would have an opportunity of offering his bill and having a vote upon it.

Mr. SIMMONS. Mr. President, if the Norris bill is taken up the Senate can consider it, and then a motion can be made to take up some other bill as against that; and that motion will prevail if a majority of the Senate, after consideration of the Norris bill, decide that they prefer some other bill.

If any bill is offered as a substitute, before the vote is taken upon the substitute, it will be subject to amendment, and if the friends of agriculture are disposed to favor the principles of that bill, it can be amended so as to make it meet the majority views of the Senate.

I do not apprehend any complications which might prevent the Senate from expressing its real opinion upon this subject. I think we might as well discuss all of these measures at one time, and out of all of them evolve some measure which will be satisfactory to the Senate, and that we can do by the process of amendment and substitution if we so desire, or we can take up either of the other two bills which have been reported from the committee upon a motion to proceed to its consideration and thus displace the Norris bill. I am loath to cast a vote which would seem to deny the Senate an opportunity even to consider this measure, which I know a great many farmers in the country favor and advocate.

Mr. SWANSON. Mr. President, the most important matter to be enacted by the Congress before adjournment is a rural credits bill. I think the measure brought before Congress along that line should be confined to that subject. The bills which have been reported by the Banking and Currency Committee, and which will be taken up if this motion is defeated, are confined to rural credits. There are many matters in the Norris bill which do not appertain to rural credits, and with the assurance that if this motion is defeated, if unanimous consent is not given for the consideration of those bills, a motion will be made to take up those two measures reported by the Banking and Currency Committee, which confine their enactments to rural credits, I shall vote against the Norris motion. I think the wise thing for the Senate to do is to bring currency legislation before the Senate, and then after that bill has been made the unfinished business the bill offered by the Senator from North Carolina and other bills which confine their enactments to currency legislation can properly be considered. I think that is the wisest and best way to get currency legislation at this session of Congress, to make currency legislation the unfinished business, and postpone action on other measures which embody other things.

Entertaining this view, I shall vote against the consideration of the Norris bill, with the assurance that if unanimous consent is not given to take up the two measures reported from the

Banking and Currency Committee, the chairman of that committee will make a motion to take them up and make them the unfinished business.

Mr. McLEAN. Mr. President, I have already announced that that is my purpose.

Mr. CAPPER. Mr. President, I am for all three of the measures which have been mentioned in this discussion. I had a part in framing the two credit measures. As a member of the Joint Agricultural Commission, which worked for some three months on rural-credits legislation, I joined with the commission in reporting what is known as the Lenroot-Anderson bill. I think that is a good measure, and it should be passed. I introduced what has been referred to here as the Capper bill, which I do not believe will interfere with the Lenroot bill. I hope to see both bills passed.

As a member of the Committee on Agriculture and Forestry, I voted in the committee to report the Norris bill, and I expect to support it, with possibly some slight amendments, because I believe it is a good measure.

It seems now to be a question simply as to which one of these measures shall have first consideration. I would like to see the Lenroot bill and the Capper bill, which are really rural-credit measures, have first consideration, and then I shall vote for any motion looking to the consideration of the bill introduced by the Senator from Nebraska. In voting against the motion of the Senator from Nebraska I shall not do so in any spirit of antagonism toward his legislation, but because I believe the rural-credit measures should have precedence in consideration in the Senate.

Mr. NORRIS. Mr. President, the argument of the Senator from Kansas is likewise ingenious. He says he is in favor of the bill I have moved to take up, and I am not questioning his sincerity for a moment. I know he was favorable to it in the committee, and voted to report it. But it seems to me the course he proposes we shall take is a very unwise one. If we are to lay that bill aside now to take up something else which has been reported subsequently, the probabilities are that before we get through with that subject some other bill will be reported, and we will lay aside again the bill I have reported. In the meantime the 4th of March is approaching, which means death to everything that is undisposed of.

The fact is that the bill I have moved to take up has been on the calendar of the Senate for weeks. These other bills, which the Senator from Kansas wants to put ahead of it, have been here for only a few days, having been reported just last week, I think, just a day or two ago. If there is any difference in the order in which they should be taken up, then it seems to me the precedence ought to be given to the bill reported by the Committee on Agriculture and Forestry.

I would like to say to the Senator from Kansas that at this time, by this motion, the bill reported by that committee has been put on trial for its life. It will either be taken up by this motion, or it will be dead for this session of Congress. Let nobody be deceived on that proposition.

The PRESIDING OFFICER (Mr. MOSES in the chair). The question is on agreeing to the motion of the Senator from Nebraska that the Senate proceed to the consideration of Senate bill 4050. On that question the yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the senior Senator from Vermont [Mr. DILLINGHAM] and vote "nay."

Mr. McKELLAR (when his name was called). I have a pair with the Senator from Indiana [Mr. New]. I do not see him in the Chamber, so I withhold my vote.

Mr. PHIPPS (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. DIAL]. I am informed that, if present, he would vote as I intend to vote, and therefore, being at liberty to vote, I vote "nay."

Mr. SIMMONS (when his name was called). I wish to inquire if the junior Senator from Minnesota [Mr. KELLOGG] has voted?

The PRESIDING OFFICER. He has not.

Mr. SIMMONS. I have a general pair with that Senator, which I transfer to the senior Senator from Ohio [Mr. POMERENE] and vote "yea."

Mr. STERLING (when his name was called). I have a pair with the senior Senator from South Carolina [Mr. SMITH]. I understand that, if present, that Senator would vote as I intend to vote. I therefore am at liberty to vote, and I vote "nay."

Mr. WARREN (when his name was called). May I inquire if the Senator from North Carolina [Mr. OVERMAN] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. WARREN. I transfer my pair with that Senator to the senior Senator from Iowa [Mr. CUMMINS] and vote "nay."

Mr. WATSON (when his name was called). I am informed that my general pair, the senior Senator from Mississippi [Mr. WILLIAMS], if he were present and voting, would vote "nay." Therefore I shall vote. I vote "nay."

The roll call was concluded.

Mr. SIMMONS. I desire to state that the senior Senator from South Carolina [Mr. SMITH] is absent because of an engagement in connection with the celebration of the inauguration of the governor of his State.

I also wish to announce that the junior Senator from South Carolina is absent because of a death in his family.

Mr. McKINLEY. I have a general pair with the junior Senator from Arkansas [Mr. CARAWAY], which I transfer to the junior Senator from Missouri [Mr. SPENCER] and vote "nay."

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. FLETCHER. I wish to announce that my colleague [Mr. TRAMMELL] is unavoidably absent. I wish to have this announcement stand for the day.

Mr. WARREN. I wish to announce that my colleague [Mr. KENDRICK] is unavoidably absent, engaged on business relating to the public service. He has a general pair with the Senator from Illinois [Mr. McCORMICK].

Mr. CURTIS. I wish to state that the Senator from New Jersey [Mr. EDGE] has a general pair with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 19, nays 53, as follows:

YEAS—19.			
Ashurst	Culberson	Ladd	Sheppard
Bayard	Fletcher	La Follette	Simmons
Borah	George	McNary	Stanfield
Brookhart	Harris	Norbeck	Walsh, Mont.
Couzens	Heflin	Norris	
NAYS—53.			
Ball	Hale	Nelson	Sterling
Broussard	Harrell	Nicholson	Sutherland
Bursum	Harrison	Oddie	Swanson
Calder	Hitchcock	Pepper	Townsend
Cameron	Jones, N. Mex.	Phipps	Underwood
Capper	Jones, Wash.	Pittman	Wadsworth
Colt	Keyes	Poindexter	Walsh, Mass.
Curtis	Lenroot	Ransdell	Warren
Ernst	Lodge	Reed, Pa.	Watson
Fernald	McCumber	Robinson	Weller
France	McKinley	Shields	Willis
Frelighuysen	McLean	Shortridge	
Gerry	Moses	Smoot	
Glass	Myers	Stanley	
NOT VOTING—24.			
Brandee	Elkins	McCormick	Pomerene
Caraway	Gooding	McKellar	Reed, Mo.
Cummins	Johnson	New	Smith
Dial	Kellogg	Overman	Spencer
Dillingham	Kendrick	Owen	Trammell
Edge	King	Page	Williams

So Mr. NORRIS's motion was rejected.

Mr. JONES of Washington. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside.

The PRESIDING OFFICER. Is there objection?

HOSPITALIZATION OF DISABLED EX-SERVICE MEN.

Mr. ASHURST. Mr. President, I have been advised that the Senate will to-morrow, or possibly not later than Wednesday, proceed to the consideration of the independent offices appropriation bill, which carries, of course, the appropriation for maintaining the Veterans' Bureau.

I have here a tabular statement prepared by the Veterans' Bureau showing the various hospitals being constructed and the number of ex-service men in the various hospitals, and also showing the number of occupied and unoccupied beds. It is an interesting and creditable statement, and has been sent to me by the Veterans' Bureau; hence it occurred to me that it would be illuminative to Senators interested in the matter. In order that it may appear in the Record to-morrow

morning and be considered by them before the independent offices appropriation bill comes before the Senate, in order that Senators may see the precise situation as to each hospital, I ask unanimous consent to have printed in the RECORD a letter from the Director of the Veterans' Bureau, together with the tabular statement to which I have referred, giving in detail, as I said, not only the cost but the number of beds occupied and unoccupied in the various hospitals and various other important and pertinent data regarding the hospitalization of ex-service men.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. ASHURST. I yield.

Mr. REED of Pennsylvania. I think that all the material to which the Senator refers was printed in the CONGRESSIONAL RECORD of Friday last, in the proceedings of the House of Representatives of that day, and I suggest to the Senator that it is scarcely necessary to print it twice.

Mr. ASHURST. The careful and painstaking Senator from Pennsylvania is of opinion that I would attempt to print in the RECORD matter which has already been printed therein. I am sure after he has been with us some time he will see that it is not a habit of the Senate to put in the RECORD matter already printed therein. The details which I am now offering have never been printed in the RECORD in this form. I am sorry that the Senator, upon whom I am so anxious to make a good impression, would think that I would set up such a precedent here, to wit, attempting to have something printed in the RECORD which had already appeared in the RECORD, because, of course, that has never been done and I trust we never will do so.

The learned Senator will perceive upon a perusal of this statement that it is much in detail, but he is performing a useful task in calling the attention of the Senate to the figures and the illuminating data put in the RECORD by Representative MADDEN on last Friday.

Mr. REED of Pennsylvania. The Senator will give me credit for the same good intentions he claims for himself and for which I gladly give him credit. I was only trying to call his attention to something I thought he had overlooked, because there appear in fine print about 10 pages of detail regarding each hospital in the proceedings of the House of Representatives of last Friday. I thought the Senator might, perhaps, have overlooked it. If he knows what it is and has something different, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. SMOOT. Let it be understood, however, that if it was printed in the RECORD of last Friday's proceedings, it will not be printed again in the RECORD.

Mr. ASHURST. Mr. President, I believe that I shall be obliged to read the matter I offer for printing. I have already stated that the matter which I intend to put in the RECORD has not been printed before in this form. But now, had it been printed before, I would print it again if I had to read all day.

The PRESIDING OFFICER. The Chair does not understand that the Senator from Utah entered an objection to the unanimous-consent request of the Senator from Arizona.

Mr. ASHURST. I do not want to be catechised any more about whether that which I offer has already been printed in the RECORD. Why so much anxiety as to whether or not I might happen to place in the RECORD something about a wounded soldier that has already been printed? I will read that data—

Mr. SMOOT. Mr. President—

Mr. ASHURST. No; I do not yield to my distinguished friend.

The PRESIDING OFFICER. May the Chair say to the distinguished Senator from Arizona—

Mr. ASHURST. The Chair may say anything to me parliamentarily.

The PRESIDING OFFICER. No objection has been made to the Senator's request.

Mr. ASHURST. For example, I have just received the following letter:

UNITED STATES VETERANS' HOSPITAL,
Tucson, Ariz., January 9, 1923.

Senator HENRY F. ASHURST,
Washington, D. C.

DEAR SENATOR ASHURST: I wish to call your attention to the case of a Spanish War veteran, Corlis E. Hinds, who died at United States Veterans' Hospital, Tucson, Ariz., from tuberculosis contracted in line of duty and of the refusal of the Veterans' Bureau to bury the body,

to ship it to his wife in California, or to bear the slightest expense of the funeral.

The deceased left no funds for burial, nor did his wife have any. The commanding officer of this hospital, Major James, was unable to bury body or ship the remains to his wife in California because of a Veterans' Bureau regulation which states it will not bear any expense of the funeral of Spanish War veterans.

As far as the Veterans' Bureau was concerned, it could go to potter's field.

Through the kindness and generosity of the patients here, sufficient money was raised by a collection amongst them to buy a coffin and ship the body to his wife for burial in the Soldiers' Home Cemetery, Sawtelle, Calif.

Only since last August have Spanish War veterans been admitted to United States veterans' hospitals, and this is the first case of a death amongst them. It no doubt will be duplicated, and I am sure the patients do not feel they should dig in their pockets to bury one of their comrades who rightly should be buried by the Government.

Knowing of your past work for the welfare of ex-service men, I trust you will do whatever is necessary to prevent a recurrence of this case.

It will be greatly appreciated if you will get authority for Major James, the commanding officer here, to pay the funeral expenses in this past case also, so that the money collected for the funeral (\$140) may go to the widow and children of the deceased, who are destitute.

Respectfully yours,

JAMES J. WEBB.

There is plenty of time, Mr. President, to consider ship subsidy bills, but if a Senator inferentially suggests he is going to ask that certain data regarding ex-service men's hospitalization be printed, Senators became astute and quick to suggest that care should be used lest perhaps a sentence about ex-service men that was in the RECORD of last Friday might get in again.

The data I sought to place in the RECORD is important information and has been prepared by the Veterans' Bureau at my special request. If Senators will carefully study the same they will obtain copious data respecting the vital subject of hospitalization of ex-service men.

I now avail myself of the privilege. No; the right. No; but the duty of explaining to the Senate how a little more courage and a little more of the capacity to bear criticisms on the part of the Veterans' Bureau might relieve hundreds of soldiers.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Utah?

Mr. ASHURST. I do.

Mr. SMOOT. I wish to say that the Senator from Arizona is mistaken. What the Senator from Utah said was that, of course, it was understood, if matter has been once printed in the RECORD the Senator from Arizona would not wish to have it printed in the RECORD again.

Mr. ASHURST. The Senator from Utah is correct in that statement.

Mr. SMOOT. I wish to say to the Senator from Arizona that it is understood between the two Houses that whenever anything has been once printed in the RECORD, it shall not again be printed in the RECORD. I shall not object to the matter the Senator offers being printed, and I never offered such an objection in any way, shape, or form. I merely asked the Senator from Arizona the same question which I have asked other Senators a hundred and perhaps a thousand times on the floor of the Senate, and the Senator from Arizona is the first Senator who has ever taken exception to the asking of that question.

Mr. ASHURST. I am the first Senator who has ever taken exception to the question?

Mr. SMOOT. And I thought his doing so was really out of place, I will say to the Senator.

Mr. ASHURST. I know the Senator from Utah thinks my doing so is out of place, but I am the judge in such a case. The Senator said, "It is understood that if the matter has been printed in the RECORD heretofore, it shall not go again into the RECORD," but I will not submit to such a censorship and such a revision of my humble contributions to the RECORD. I am the one who should say whether or not a matter which I present has previously been printed in the RECORD.

Mr. SMOOT. If the Senator from Arizona had assured me that the matter had not previously been printed in the RECORD, there would not have been a word said about it.

Mr. ASHURST. Why is it that the question has not been asked as to whether matters in regard to the ship subsidy bill which Senators have desired printed in the RECORD have previously been printed in the RECORD?

Mr. SMOOT. No one, so far as I am aware, has in the discussion of that bill asked that matters which have previously been printed in the RECORD shall again be so printed.

Mr. ASHURST. Mr. President, I do not wish to prolong any controversy with the Senator from Utah, nor do I wish to delay action of the Senate on the pending bills. Least of all do I

wish to take part in any action here which shall savor of a filibuster against any of these bills, but no subject is more important or should more truly engage our attention than the care of our disabled soldiers.

Mr. SMOOT. Mr. President, all the Senator from Arizona has got to do—and, of course, I shall take his word as to the matter—is to state, as he has stated now, that what he desires printed in the RECORD has not previously been so printed. There will not be another word on my part in reference to the subject, and what he desires may be printed in the RECORD. So far as any Senator in this body is concerned, no one wishes to object to any matter going into the RECORD which might benefit the veterans of the World War or assist in making the provisions which have been made for them better than they now are.

Mr. ASHURST. I believe the Senator from Utah is just as anxious and as earnest about hospitalizing the soldiers as am I, or as is any other Senator.

Mr. SMOOT. The Senator from Arizona knows that I am.

Mr. ASHURST. But the Senator from Utah is too busy a man; he has not the time—no Senator has the time if he is going to do anything else—to give particular attention to the hospitalization question. I have given the subject especial attention. The Senator from Utah can not do so; there are not sufficient hours in the day for even the Senator to make himself familiar with all the details regarding hospitalization, though he is familiar with most of the subjects which are before the Senate for consideration.

Mr. SMOOT. The Senator from Arizona knew that I agreed with him, for it was not 15 minutes previously that he brought the question to my attention and I agreed with him absolutely.

Mr. ASHURST. Yes; that is true.

Mr. SMOOT. There is no question of my desire at all. I have no wish to do anything which would in any way interfere with the Senator.

Mr. ASHURST. I do not wish to prolong the controversy, but I wish to conclude what I started to say, to wit, that Senators should read this tabular statement. That is all I have to say, Mr. President, and I yield the floor.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Arizona will be printed in the RECORD.

The matter referred to is as follows:

UNITED STATES VETERANS' BUREAU,
OFFICE OF THE DIRECTOR,
Washington, January 13, 1923.

HON. HENRY F. ASHURST,
United States Senate, Washington, D. C.

DEAR SENATOR ASHURST: There is transmitted herewith statement on hospitals which you requested Thursday. This statement includes

all hospitals available to the United States Veterans' Bureau, whether under the direct jurisdiction of the United States Veterans' Bureau or under the control of other Government agencies, such as the Army, Navy, National Soldiers' Homes, or the Public Health Service. It is believed that the notes at the bottom of this statement adequately explain the data presented. You will note that the item "Capital cost" is rather fully explained, since this item involves a very definite interpretation in order that the data presented for the several hospitals may be consistent. There has been eliminated from this cost statement expenditures for ordinary repairs and maintenance of buildings and property, and there have been included only such items as seem to be definite improvements and subsequently enhance the value of the real property. You will note that under this item there have been included certain expenditures at hospitals operated by the Army, Navy, and soldiers' homes. These expenditures have been made by these services out of funds allotted to them from the United States Veterans' Bureau, or from the first Langley bill in the instance of the soldiers' homes. You will note further that this item includes not only known obligations or expenditures but also estimated expenditures where the project is being planned at the present time or where the contracts have not to date been awarded. No separation has been made by individual hospitals showing the classification of the expenditures made, and it is true in a number of instances that the amount shown includes not only the first and second Langley bill obligations, or estimated obligations, but also such expenditures as may have been made at some prior date from various available appropriations.

In regard to the first Langley bill, you are advised that the entire sum of \$18,600,000, the control of which was under the Treasury Department, has been entirely obligated or allotted. In regard to the second Langley bill, you are advised that the entire appropriation of \$17,000,000 has been obligated or allotted. From neither of these appropriations can further allocation of funds be made for other hospital projects than those already agreed upon.

With regard to the supplemental information which you requested relative to Arizona, you are advised that at the present time in the two Veterans' Bureau hospitals at Arizona there is a total of 65 nurses employed—46 at United States Veterans' Hospital No. 50, Prescott, Ariz., and 19 at United States Veterans' Hospital No. 51, Tucson, Ariz. The total personnel employed at the hospital at Prescott numbers 462, while the total personnel employed at the hospital at Tucson numbers 119. With regard to the number and type of buildings at each of these institutions, you are advised that at Hospital No. 50, Prescott, Ariz., there is a total of 71 buildings, classified as follows: Hollow tile, 18; concrete blocks, 19; brick, 7; wooden frame, 23; corrugated iron, 1; reinforced concrete, 2; iron, 1. At the United States Veterans' Hospital No. 51, Tucson, Ariz., there is a total of approximately 70 buildings, 50 of which are cottages for patients, each accommodating approximately six patients; the balance of the buildings are for utilities and administration. All of these buildings are of temporary frame construction.

With regard to the civil institutions used in the State of Arizona, you are advised that at the present time this bureau is utilizing but five hospitals in that State, as follows:

- Arizona Hospital, Tucson, Ariz., 8 patients.
- Hotel Rest Sanatorium, Tucson, Ariz., 1 patient.
- Phoenix Sanatorium, Phoenix, Ariz., 3 patients.
- St. Joseph's Hospital, Phoenix, Ariz., 15 patients.
- St. Luke's Home, Phoenix, Ariz., 5 patients.

It is hoped that the above information and the information in the attached statement will be suitable for your purpose and in every way satisfactory. However, should you desire any additional data relative to this or any other activity in this bureau, I should be very glad to furnish it to you upon your request.

Very truly yours,

C. R. FORBES, Director.

Hospital facilities available to United States Veterans' Bureau as of December 30, 1922, including location of new hospitals and additions to existing hospitals being constructed under the first and second Langley bills.

No.	Hospital.	Branch of service.	Type.	Occupied beds.	Unoccupied beds.	Total beds.	Capital cost.	Remarks.
ALABAMA.								
	Tuskegee ¹	U. S. V. B.	N. P. and T. B.				\$1,985,000.00	Being constructed out of first Langley bill, furnishing 596 beds to be ready March, 1923.
83	Mobile.....	do.....	General.....	27	24	51		Leased hospital.
ARIZONA.								
50	Prescott ¹	do.....	T. B.	569	254	823	591,860.00	Includes 422 new beds from first Langley bill.
51	Tucson.....	do.....	do.....	258	2	260	285,000.00	Land leased, buildings Government owned.
ARKANSAS.								
78	North Little Rock ¹	do.....	N. P.	265		265	250,000.00	Provided by first Langley bill.
	Hot Springs.....	U. S. A.	General.....	40	110	150		
CALIFORNIA.								
54	Arrowhead Springs.....	U. S. V. B.	do.....	136	39	175		Leased hospital.
64	Camp Kearney.....	do.....	T. B.	258	292	550		
24	Palo Alto.....	do.....	do.....	392	122	514	155,365.00	To be discontinued upon completion of hospital at Livermore, Calif., as a tuberculosis hospital.
	Palo Alto ¹	do.....	N. P.				1,303,620.00	Being constructed out of first Langley bill, furnishing 515 beds to be ready February, 1923.
	Livermore ¹	do.....	T. B.				1,700,000.00	Being constructed out of second Langley bill, furnishing 425 beds to be ready approximately February, 1924.
19	San Francisco.....	U. S. P. H. S.	General.....	6		6		
	Do.....	U. S. A.	do.....	109	291	400		
	Mare Island.....	U. S. N.	do.....	9		9		
	San Diego.....	do.....	do.....	8		8		
	Los Angeles.....	N. H. V. D. S.	T. B. and general	230		230	1,188,772.00	

¹ First or second Langley bill construction.

Hospital facilities available to United States Veterans' Bureau as of December 30, 1922, etc.—Continued.

No.	Hospital. Location.	Branch of service.	Type.	Occu- pied beds.	Unoc- cupied beds.	Total beds.	Capital cost.	Remarks.
COLORADO.								
80	Las Animas.....	U. S. V. B.....	T. B.....	247	253	500		Formerly United States Naval Hospital, Fort Lyons, Colo.
	Denver.....	U. S. A.....	do.....	850	409	1,259	\$1,062,382.00	
CONNECTICUT.								
41	New Haven.....	U. S. V. B.....	do.....	426	74	500		Leased hospital.
DISTRICT OF COLUMBIA.								
32	Washington.....	do.....	General.....	200	30	230	959,994.00	St. Elizabeths Hospital.
	Do.....	U. S. A.....	do.....	309	441	750		
	Do.....	U. S. N.....	do.....	61	89	150		
	Do.....	Int. Dept.....	N. P.....	825		825		
FLORIDA.								
63	Lake City ¹	U. S. V. B.....	General.....	213	26	239	422,000.00	Includes 100 tuberculosis beds constructed out of first Langley bill.
10	Key West.....	U. S. P. H. S.....	do.....	1	24	25		
	Pensacola.....	U. S. N.....	do.....		25	25		
GEORGIA.								
48	Atlanta.....	U. S. V. B.....	do.....	91	14	105	204,467.00	265 new neuropsychiatric beds being constructed here from first Langley bill, to be available January, 1923.
62	Augusta ¹	do.....	N. P.....	256		256	901,351.00	
20	Savannah.....	U. S. P. H. S.....	General.....	12	10	22		
IDAHO.								
52	Boise.....	U. S. V. B.....	do.....	147	68	215	77,000.00	
ILLINOIS.								
30	Chicago.....	do.....	do.....	429	111	540		Leased hospital.
53	Dwight.....	do.....	do.....	135	97	232		Do.
76	Maywood.....	do.....	do.....	735	190	925	3,385,229.00	
5	Chicago.....	U. S. P. H. S.....	do.....	2	1	3		48,000.00
	Great Lakes.....	U. S. N.....	N. P. and Gen.....	229	121	350		
	Danville.....	N. H. V. D. S.....	General.....	11		11		
INDIANA.								
8	Evansville.....	U. S. P. H. S.....	do.....	15	19	34		80 new neuropsychiatric beds being built here from first Langley bill, to be completed January, 1923.
	Marion ¹	N. H. V. D. S.....	N. P.....	732	53	785	1,608,786.00	
IOWA.								
75	Colfax.....	U. S. V. B.....	General.....	34	168	202		Leased hospital.
57	Knoxville ¹	do.....	N. P.....	173		173	1,100,000.00	Purchased and being enlarged to a 440 bed neuropsychiatric hospital from second Langley bill, to be completed approximately August 1923.
KENTUCKY.								
69	Fort Thomas.....	do.....	General.....	110	35	145		Leased hospital.
79	Dawsonsprings.....	do.....	T. B.....	347	59	406	1,458,198.00	
11	Louisville.....	U. S. P. H. S.....	General.....	44	8	52		
LOUISIANA.								
27	Alexandria ¹	U. S. V. B.....	T. B.....	340	60	400	156,808.00	Leased hospital; \$59,516 spent from first Langley bill here for kitchen and mess hall.
84	New Orleans.....	do.....	General.....	198	3	201	2,550.00	
14	do.....	U. S. P. H. S.....	do.....	22	87	109		
MAINE.								
16	Portland.....	do.....	do.....	17		17		
	Togus.....	N. H. V. D. S.....	do.....	5		5		
MARYLAND.								
56	Fort McHenry.....	U. S. V. B.....	do.....	155		155	67,615.00	Hospital probably to be closed at an early date.
42	Perryville ¹	do.....	N. P.....	294	306	600	677,604.00	Includes 300 new neuropsychiatric beds built from first Langley bill.
MASSACHUSETTS.								
44	West Roxbury.....	do.....	do.....	245	5	250		Leased hospital.
	Rutland ¹	do.....	T. B.....				815,000.00	Hospital being built from first Langley bill, furnishing 220 tuberculosis beds to be completed approximately May, 1923.
	Northampton ¹	do.....	N. P.....				2,277,000.00	Hospital being built from second Langley bill, furnishing 436 neuropsychiatric beds to be completed approximately February, 1924.
2	Boston.....	U. S. P. H. S.....	General.....	3	9	12		
	Chelsea.....	U. S. N.....	do.....	251	99	350		
MICHIGAN.								
	Camp Custer ¹	U. S. V. B.....	N. P.....				1,700,000.00	Hospital being built from second Langley bill, furnishing 500 neuropsychiatric beds to be completed approximately December 1923.
7	Detroit.....	U. S. P. H. S.....	General.....	40		40		
MINNESOTA.								
65	St. Paul.....	do.....	do.....	287	53	340		Leased hospital.
68	Minneapolis.....	do.....	do.....	242	96	338		Do.
	St. Cloud ¹	do.....	N. P.....				1,150,000.00	Hospital being built from second Langley bill, furnishing 250 neuropsychiatric beds to be completed approximately February, 1924.

¹ First or second Langley bill construction.

Hospital facilities available to United States Veterans' Bureau as of December 30, 1922, etc.—Continued.

No.	Hospital Location.	Branch of service.	Type.	Occu- pied beds.	Unoc- cupied beds.	Total beds.	Capital cost.	Remarks.
MISSISSIPPI.								
74	Gulfport ¹	U. S. P. H. S.	N. P.	134	76	210	\$1,112,351.33	New hospital of 250 beds being built on the site from second Langley bill, to be completed approximately February, 1924.
MISSOURI.								
35	St. Louis.....	do.	General.	383	182	565	.....	Leased hospital.
67	Kansas City.....	do.	do.	121	4	125	.....	Do.
	St. Louis ¹	do.	do.	.....	.....	.....	1,265,000.00	Hospital being built from first Langley bill, furnishing 250 general beds, to be completed March, 1923.
	Excelsior Springs ¹	do.	T. B.	.....	.....	.....	375,000.00	Hospital purchased and being reconstructed from second Langley bill, furnishing 75 tuberculosis beds.
18	St. Louis.....	do.	General.	14	19	33	.....
MONTANA.								
72	Helena.....	U. S. V. B.	do.	66	119	185	97,975.00	
NEW HAMPSHIRE.								
	Portsmouth.....	U. S. N.	General.	8	42	50	.....
NEW MEXICO.								
55	Fort Bayard ¹	U. S. V. B.	T. B.	603	347	950	992,500.00	Includes 250 new beds, constructed from first Langley bill.
NEW YORK.								
81	Bronx ¹	do.	N. P.	300	95	455	3,485,000.00	Hospital built from first Langley bill, to give total capacity of 1,011 neuropsychiatric beds; balance of beds to be available soon.
3	Chelsea ¹	do.	T. B.	.....	.....	.....	1,900,000.00	Hospital being built from first Langley bill, furnishing approximately 450 tuberculosis beds.
	Tupper Lake ¹	do.	do.	.....	.....	.....	1,900,000.00	Hospital being built from second Langley bill, furnishing 450 tuberculosis beds.
3	Buffalo.....	U. S. P. H. S.	General.	17	.....	17	.....
21	Stapleton.....	do.	do.	1	21	22	.....
70	New York.....	do.	do.	5	10	15	.....
	Brooklyn.....	U. S. N.	do.	167	233	400	.....
NORTH CAROLINA.								
60	Oteen ¹	U. S. V. B.	T. B.	755	345	1,100	458,000.00	200 additional new T. B. beds being constructed here from first Langley bill, to be completed February, 1923.
OHIO.								
87	Chillicothe.....	do.	General.	6	52	58	.....	Vocational school hospital.
	Chillicothe ¹	do.	N. P.	.....	.....	.....	1,700,000.00	Hospital being constructed from second Langley bill, furnishing 436 N. P. beds, to be completed approximately December, 1923.
	Dayton ¹	N. H. V. D. S.	T. B. and general.	362	69	431	1,671,830.00	Additional unit of 302 T. B. beds being constructed here from first Langley bill, to be completed January, 1923.
6	Cleveland.....	U. S. P. H. S.	General.	35	25	60	.....
OREGON.								
77	Portland.....	U. S. V. B.	do.	134	15	149	.....	Leased hospital.
PENNSYLVANIA.								
49	Philadelphia.....	do.	N. P.	237	168	405	.....
	Aspinwall ¹	do.	T. B.	.....	.....	.....	1,000,000.00	Hospital being built from second Langley bill, site purchased from first Langley bill, furnishing 250 neuropsychiatric beds.
15	Pittsburgh.....	U. S. P. H. S.	General.	39	3	42	.....
	League Island.....	U. S. N.	do.	93	32	125	.....
RHODE ISLAND.								
	Newport.....	do.	do.	19	31	50	.....
SOUTH CAROLINA.								
26	Greenville.....	U. S. V. B.	T. B.	364	36	400	560,000.00	Land leased; buildings Government owned.
SOUTH DAKOTA.								
	Hot Springs.....	N. H. V. D. S.	General.	52	35	87	67,730.00	
TENNESSEE.								
88	Memphis ¹	U. S. V. B.	do.	125	40	165	850,000.00	Hospital purchased outright from second Langley bill.
	Johnson City.....	N. H. V. D. S.	T. B.	638	357	995	721,948.00	
TEXAS.								
25	Houston.....	U. S. V. B.	General.	380	320	700	8,181.00	Land leases; buildings Government owned.
	El Paso.....	U. S. A.	do.	126	75	200	19,400.00	
	San Antonio.....	do.	do.	174	126	300	45,305.00	
VIRGINIA.								
	Norfolk.....	U. S. N.	do.	44	56	100	.....
	Hampton.....	N. H. V. D. S.	do.	13	.....	13	14,940.00	

¹ First or second Langley bill construction.

Hospital facilities available to United States Veterans' Bureau as of December 30, 1922, etc.—Continued.

No.	Hospital. Location.	Branch of service.	Type.	Occu- pied beds.	Unoc- cupied beds.	Total beds.	Capital cost.	Remarks.
WASHINGTON.								
59	Tacoma	U. S. V. B.	T. B. and N. P.	249	53	302		Leased hospital. Hospital built from first Langley bill. Hospital being built from second Langley bill, fur- nishing 250 neuropsychiatric beds.
85	Walla Walla	do.	T. B.	141	69	210	\$450,000.00	
	American Lake	do.	N. P.				1,150,000.00	
17	Port Townsend	U. S. P. H. S.	General	1	3	4		
WISCONSIN.								
27	Waukesha	U. S. V. B.	N. P.	216	58	274	469,000.00	Tuberculosis unit of 612 beds being built here from first Langley bill to be completed January, 1923.
	Milwaukee	N. H. V. D. S.	General	119	59	178	1,814,928.00	
WYOMING.								
86	Fort McKenzie	U. S. V. B.	N. P.	202	38	240	180,000.00	Hospital built from first Langley bill.

¹ First or second Langley bill construction.

NOTES.—(a) United States Veterans' hospitals show total facilities; hospitals under jurisdiction of other Government agencies show beds allotted to the United States Veterans' Bureau, with exception of United States Public Health Service hospitals, where such facilities as are available from time to time may be used; in this latter instance vacant beds are available to all classes of patients the Public Health Service receives.

(b) "Capital costs" include expenditures on real property including improvements and exclude expenditures for equipment other than fixed equipment. Only such expenditures as have been made or allotted by the United States Veterans' Bureau or United States Public Health Service or from the Langley bills, and from public act 326 March 3, 1919, and its extensions are included. Valuation of property received by gift or transfer, other than from the Public Health Service, has not been made. Figures for this item are approximate. Figures shown for National Soldiers' Homes, Army and Navy hospitals include only such expenditures as have been made from United States Veterans' Bureau allotments. Excludes cost of maintenance and ordinary repairs. This item includes not only actual expenditures made, but in cases where contract has not been completed, the full contract price, and in cases where contract not awarded, the estimated allotment for project.

(c) Branches of service as follows:

U. S. V. B.—United States Veterans' Bureau.
U. S. A.—United States Army.
U. S. N.—United States Navy.
N. H. V. D. S.—National Homes for Volunteer Disabled Soldiers.
U. S. P. H. S.—United States Public Health Service.
Int. Dept.—Interior Department (St. Elizabeths).

THE MERCHANT MARINE.

During the delivery of Mr. ASHURST's speech, Mr. JONES of Washington. Mr. President, will the Senator yield to me for just a moment?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Washington?

Mr. ASHURST. I yield.

Mr. JONES of Washington. I do not like to interrupt the Senator, but I have an engagement with the subcommittee of the Committee on Appropriations and I am wondering if the Senator would permit my request to lay aside the unfinished business to be acted upon?

Mr. ASHURST. I yield to the Senator.

Mr. JONES of Washington. I thank the Senator very much. The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that the unfinished business, House bill 12817, may be temporarily laid aside. Is there objection? The Chair hears none, and it is so ordered.

RURAL MARKETING AND CREDIT FACILITIES.

Mr. McLEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Connecticut?

Mr. ASHURST. I yield.

Mr. McLEAN. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 4280.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4280) to provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal reserve act; to amend the Federal farm loan act; to extend and stabilize the market for United States bonds and other securities; to provide fiscal agents for the United States, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

After Mr. ASHURST's speech,

Mr. McLEAN obtained the floor.

Mr. SIMMONS. Will the Senator yield to me to suggest the absence of a quorum? I think we ought to have a quorum here.

Mr. McLEAN. If the Senator desires it, it is immaterial to me.

Mr. SIMMONS. Mr. President, with the permission of the Senator from Connecticut, I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Broussard	Ernst	Glass
Ball	Capper	Frelinghuysen	Harreld
Bayard	Couzens	George	Harris

Heflin
Jones, Wash.
Kellogg
Keyes
Ladd
La Follette
Lenroot
Lodge

McLean
McNary
Moses
Nelson
New
Nicholson
Overman
Pepper

Phipps
Pittman
Reed, Pa.
Sheppard
Simmons
Smoot
Stanfield
Sterling

Sutherland
Townsend
Underwood
Walsh, Mass.
Walsh, Mont.
Warren
Watson
Willis

The PRESIDING OFFICER (Mr. LADD in the chair). Forty-four Senators having answered to their names, a quorum is not present. The Secretary will call the names of the absentees.

The Assistant Secretary called the names of the absent Senators, and the following Senators answered to their names:

Borah
Bursum
Calder
Cameron
Culberson
Curtis

Hale
Harrison
Johnson
King
McCumber
McKellar

Myers
Norbeck
Oddie
Poindexter
Ransdell
Robinson

Shields
Shortridge
Wadsworth
Weller
Williams

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present. The Senator from Connecticut will proceed.

THE PROBLEMS WHICH CONFRONT THE FARMER.

Mr. McLEAN. Mr. President, there are so many measures pending in the Senate and the House which seek to create additional credit facilities for the agricultural interests that I want to submit a few observations which bear upon rural credits in general. I think I am as anxious to help the farmer as is any Member of this body, but I do not want to invite him to another billion-dollar dance at the close of which he will be called upon to pay the musicians. I think he has been pretty well fed up on that variety of entertainment. It is for that reason that I think we should consider the credit facilities which are now accessible to the farmer, and the extent to which they have been enjoyed, in order that we may clearly understand the real needs of agriculture in the way of additional credits.

A great deal has been said in praise and criticism of the Federal reserve system and the commercial banks of the country during the past four years. I have no desire to question the motives of those who feel that the Federal reserve system has not done its full duty by agriculture, but I do think we ought to give due weight to the actual accomplishments of existing credit systems in order that we may act intelligently in our desire to supplement them with new plans and projects for the multiplication of credit and discount facilities wholly experimental in their nature.

I think we must all agree, certainly those of us who view the operations of the Federal reserve system without prejudice, that expansion of credits is one of its easiest accomplishments, and that the large number of regional banks tends to stimulate rather than control inflation. The local statesman in any one

of the 12 districts is soon persuaded by his constituents that attempts to restrict credits is injurious to business, and that banking officials who decline to grant or renew loans are in a conspiracy to dry up the sources of prosperity, and that constantly rising prices create a wider margin of profit between cost of production and market values. When prices are going up regional banks in large industrial and manufacturing centers are pressed to extend loans to accommodate new enterprises and keep those in existence at the highest pitch of production. Regional banks in the agricultural sections are besieged to extend credits to allow the farmers to increase their production at constantly increasing cost. It is then we realize the necessity of keeping the national banking system in the control of men able to withstand the clamor of special interests, men who will curb undue inflation whenever and wherever it threatens seriously to disturb the whole credit structure of the Nation. Once the Federal Reserve Board becomes the football of politics instead of our supreme court of finance, entirely free from the influence of political appointees and politicians, the cooperation between the reserve banks, anticipated by its founders, will become less and less effective in its efforts to allay sectional prejudices. I want to call attention to the views expressed by Senator OWEN in the Financial Chronicle July 30, 1921.

I quote Senator OWEN because we all know he was chairman of the Committee on Banking and Currency when the Federal reserve act was framed, and I think he fairly represents the views of those who criticize what is called the deflation policy of the Federal Reserve Board. I quote him as follows:

The Federal Reserve Board was created to control, regulate, and stabilize credit in the interest of all the people. * * * It is the most gigantic financial power in all the world. * * * Instead of using this great power as the Federal reserve act intended that it should be used, the board abdicated. Instead of using this power in the interests of all the people, the bankers included, it delegated this power to the bankers.

About this time the governor of the Federal Reserve Board outlined his views of the responsibilities of the board and its powers under the act in a letter to Senator SMOOT, which was published in the Federal Reserve Bulletin, August, 1921, a portion of which I quote:

In view of the fact that the 12 Federal reserve banks are independent bodies corporate and are controlled and directed each by its own board of directors, subject only to the general supervision of the Federal Reserve Board, whose authority with respect to discount is confined principally to defining eligible paper in accordance with the terms of section 13 of the Federal reserve act, it seems to me that the statement which many, both in Congress and on the outside, urge to be issued by the Federal Reserve Board, stating that the Federal reserve banks will adopt certain policies in connection with the rediscounting of agricultural paper, would have to be made by the Federal reserve banks themselves. The Federal Reserve Board has no power to interfere with the discretion given or the responsibility imposed by law upon the directors of a Federal reserve bank with respect to passing upon the merits of eligible paper offered for discount. Congress did not establish a central bank in this country. It established 12 banks under the general supervision of the Federal Reserve Board, which does not exercise banking functions. These functions are exercised exclusively by the Federal reserve banks.

Anyone familiar with the language of the Federal reserve act will, I think, agree that the powers of the Federal Reserve Board are strictly limited, as stated by the governor of the board. Congress did not create a central bank and the banking functions are exercised exclusively by the 12 Federal reserve banks, and, of course, the primary loans are entirely within the discretion of the member banks.

Later on I shall call attention to bulletins issued by the board indicating its purposes and efforts to use its powers in the interests of all the people, in order to show that no matter what the actual record of the board may evidence, or the limitations may be as expressed in the law itself, critics of high standing will always be found at the peak of high prices who will convince a large portion of the American people that the board has abdicated its functions in the interests of Wall Street or some other street.

In the crisis of 1920 and 1921 the fate of the farmer, though perhaps more aggravated, was precisely similar to that which he must inevitably suffer when the tide of inflation begins to ebb. When the patience of the consumer is exhausted and the contagion of restriction in purchases gets under way the prices of foods and clothing fabrics are the first to fall, and, generally speaking, their descent is not checked until the purchasing power of the day's work of the farmer is below that of the average wage paid to men engaged in other occupations. Granting that the seasonal requirements of the farmer demand that any banking system that is to be of permanent benefit to him must accommodate itself to natural limitations under which he must operate and over which he has no control, we reply that it was for this very reason the framers of the Federal reserve system gave to the Federal Reserve

Board wide discretion in its definition of agricultural paper eligible for rediscount, and doubled its length of maturity over that enjoyed by what is generally understood to be commercial paper, and this notwithstanding the fact that the basic purpose of the Federal reserve system was to provide an elastic currency secured by short-time, self-liquidating commercial paper representing actual transactions—that is, paper which is used to finance the sale of goods, the proceeds of which would be used for its retirement. Section 13 of the Federal reserve act provides that notes, drafts, and bills drawn or issued for agricultural purposes or based upon live stock and having a maturity not exceeding six months may be discounted in an amount to be limited to a percentage of the capital of the Federal reserve bank, to be ascertained and fixed by the Federal Reserve Board, whereas the maturity of commercial paper was limited to 90 days.

In April, 1918, the Federal Reserve Board issued the following definition of agricultural paper:

Horses and mules bought for farm work are purchased with several years' use in view, yet there can be no question that a note given by a farmer in payment of a pair of mules to be used in farm work, maturing within six months, is eligible as agricultural paper. Where tractors are used to supplement the work of horses or mules or are used altogether instead of these animals, it seems to the board that notes given by farmers for the purchase of tractors, and maturing within six months, should be admitted to discount as agricultural paper * * *

At an earlier date, 1916, the board ruled as follows with regard to agricultural implements:

That it was a very close question whether agricultural implements are to be considered as permanent improvements or as part of the cost of operation, but as ground for liberality it must be considered that a machine of this kind is not of a permanent character. It wears out rapidly, and in most cases has to be replaced within a comparatively short time, so that it may be assumed that a certain amount of money would be spent annually and regularly for the purchase and replacement of machinery of this kind.

Again, in August, 1918, we find the eligibility of agricultural paper extended, as follows:

Cases may arise in the reclamation of swamp lands where such lands could not be treated as farm land until expensive drainage systems have been installed. In such case there is doubt of the eligibility of the notes, the proceeds of which are used for this purpose. Where, however, the land drained is already in use as farm land, the draining may be treated as incidental to the cultivation of the land, and notes given for such purpose may be rediscounted as agricultural paper.

And again with regard to implement paper in December, 1915:

The nature of the bill, the name of the acceptor, and the name of the drawer would probably indicate that a farmer was the purchaser and an implement dealer the seller of the goods. However, the purchasing member bank will have to satisfy itself in some satisfactory way that the bill is substantially of an agricultural character. A simple memorandum attached to the bill, stating that the bill was drawn in payment of agricultural implements, signed either by the acceptor or the drawer, would probably be considered sufficient evidence by the member bank and the Federal reserve bank.

Again in October, 1915, the board ruled:

The committee entertained the view that warehouse receipts for cotton, grain, and other staple nonperishable agricultural products of a readily marketable character, form an excellent basis for bank loans.

And in October, 1917:

Potatoes, properly graded and packed and stored in a weatherproof and responsible warehouse, as evidence by its receipt, would undoubtedly constitute a readily marketable, nonperishable staple within the meaning of the regulation.

Other bulletins were issued from time to time. I have called attention to a few of them to indicate a general disposition on the part of the board to extend the rediscount privilege to agricultural paper with a maturity of six months in every instance where it could be done with reasonable safety to the rediscounting bank.

It has been claimed and persistently urged that it was during the deflation in 1920 and 1921 that the board evidenced its hostility toward agricultural paper at the very time when it should have been more liberal than in the earlier years. In the bulletin issued by the Federal Reserve Board in August, 1921, we find that on July 9, 1920:

The total bills on hand at all Federal reserve banks amounted to \$2,934,184,000. On July 6, 1921, this total amounted to \$1,832,499,000, a decrease of \$1,101,685,000 * * *. The total of agricultural, commercial, and live-stock paper on hand, rediscounted for member banks, on July 6, 1921, was \$1,126,968,000 as against a total of \$1,265,243,000 on July 9, 1920, a decrease of only \$138,275,000, which is more than accounted for by the decrease in the holdings of paper of this kind by the Federal Reserve Banks of Boston, New York, and Chicago.

Commenting upon these figures the governor of the board said:

The bank liquidation which has taken place has been mainly in financial and industrial centers, and the figures do not indicate that there has during the past 12 months been any decrease in Federal reserve accommodations to banks in the agricultural and live-stock districts, but on the contrary there has been a considerable increase.

In this connection it should be borne in mind that the decline in the price of farm products was more rapid than the reduction of credits. As there was no decline in the total of agricultural paper held in the nine agricultural regions, it must follow that reserve funds in these districts were increased for the benefit of agriculture.

The claim that the Federal reserve banks or the member banks discriminated against loans to rural districts during the inflation period would seem to be without foundation. The committee of agricultural inquiry appointed early in 1921 thoroughly investigated this subject, and in Part II of their report we find the following summary:

1. That the expansion of bank loans in rural districts during the period of inflation ending June, 1920, was relatively greater than in the industrial sections taken as a whole.
2. That the action of the Federal Reserve Board and the Federal reserve banks during the 15 months preceding April 28, 1921, did not produce a greater curtailment of bank loans in the rural districts than in the financial and industrial sections.
3. Credit was not absorbed by the financial centers at the expense of rural communities for the purpose of speculative activities.
4. That the pressure of the forces of liquidation and depression in the agricultural sections was reflected in a reduction of deposits. This reduction of deposits, particularly demand deposits, was relatively larger in the agricultural and semirural counties in the United States than in the industrial counties.

The Senate members of this committee were Messrs. LENROOT, of Wisconsin; CAPPER, of Kansas; McNARY, of Oregon; ROBINSON, of Arkansas; HARRISON, of Mississippi. The members for House were Messrs. ANDERSON, of Minnesota; MILLS, of New York; FUNK, of Illinois; SUMNERS, of Texas; TEN EyCK, of New York. We find in the commission many members of the agricultural bloc, and all of them were men of the highest character, and the fact that they were unanimous in reaching the conclusions which I have just quoted ought to silence for all time the claim that there was any intentional effort on the part of any public or banking official to discriminate against loans sought by the agricultural interests.

With regard to the claim that the cotton growers of the South were discriminated against by the Federal reserve banks, I want to call attention to a circular published by the Richmond bank under date of July 23, 1921, a portion of which I quote:

The Federal Reserve Bank of Richmond has never applied the progressive rate. The discount rate of this bank has never been above 6 per cent.

Criticisms of the credit policy of the Federal reserve banks are still current, and even rampant. They are possibly most frequent in the South, and more liberal credit has been urged for southern agricultural interests. The five reserve banks in the Cotton States are lending their members \$457,000,000, which is 26 per cent of the loans of the entire reserve system. The total loans of these five reserve banks to their members exceed their reserve deposits by \$192,000,000, whereas the reserve deposits of the other seven reserve banks exceed their loans by \$118,000,000.

If loans to farmers are restricted, it is not done by the reserve banks, nor is it the result of any policy adopted by the reserve banks. The act and the regulations of the board define the character and terms of paper which may be taken by reserve banks. They lend the money to their members, and they discount the classes of eligible paper offered by their members. The greater portion of the money loaned in this district is tied up with agriculture in one way or another.

The two cotton States of this district are North and South Carolina. Virginia grows very little cotton. This bank is lending to members in North Carolina \$25,000,000, which is 411.7 per cent of their reserve deposits. It is lending to South Carolina members \$21,000,000, which is 525.5 per cent of their reserve deposits. In addition to this, the member banks of these two States are borrowing \$13,000,000 from other banks, which obtain the funds from the Federal reserve banks. Measure this by the situation with the seven reserve banks outside of the cotton States, which have reserve deposits exceeding their loans by \$118,000,000.

The volume of loans to these two cotton States, \$48,000,000, directly by the Federal Reserve Bank of Richmond and \$13,000,000 from other banks, can be further gauged by the statement that it is more than half the maximum amount which all the national banks of the country ever borrowed at any one time prior to 1914, or before the Federal reserve banks were established. This bank is lending to some of its member banks ten to fifteen times the amount of their reserve deposits in order to meet their apparent necessities.

Under the conditions hereinbefore set forth, and under the terms of the Federal reserve act and the regulations of the board, the Federal Reserve Bank of Richmond will make further advances for making and gathering the growing crop and will discount for its members eligible paper secured by warehouse receipts for new cotton at 80 per cent of the market value at the time loans are made, to be kept good, and will discount acceptable trade acceptances of mills for cotton purchased and intended for consumption and bankers' acceptances based on new cotton and made under the regulations.

The reserve banks of the cotton States can adequately provide for the gathering and orderly marketing of the new crop with the full cooperation of all member banks. To make this aid thoroughly effective, member banks will be compelled to take measures to provide for the small cotton producer, both in completing his crop and in order that he may not suffer by having to sell his cotton immediately upon gathering it should there not be a satisfactory market at the time. The proceeds of such advances on new cotton should be used to liquidate current indebtedness where possible in order to give vitality to credit. It should be obvious that business can not move and be kept moving unless cotton is sold as the market will take it.

Borrowings of member banks, by States.

	Borrowings, Dec. 31, 1920.	Borrowings, June 30, 1921.	Reserve de- posits, June 30, 1921.	Ratio of borrow- ings to reserve deposits, June 30, 1921.
				Per cent.
Maryland.....	\$29,417,000.00	\$27,177,594.14	\$14,263,499.03	190.5
West Virginia.....	1,186,000.00	5,291,021.18	7,063,883.45	74.9
District of Columbia.....	4,852,000.00	3,252,780.31	6,683,612.05	18.7
Virginia.....	43,316,000.00	43,648,131.13	14,544,462.92	300.1
North Carolina.....	27,870,000.00	25,505,154.03	6,194,559.26	411.7
South Carolina.....	23,877,000.00	21,248,579.59	4,043,402.51	525.5
Total.....	130,518,000.00	126,123,260.38	52,793,519.22	238.9

I also quote from circular letter published by the Federal Reserve Board, July 20, 1921:

In view of the vital importance of the problems incident to the harvesting and marketing of the coming cotton crop, the Federal Reserve Board to-day held a conference with the governors of the Federal Reserve Banks of Richmond, Atlanta, St. Louis, Kansas City, and Dallas, the banks located in or brought in closest touch with the member banks in the cotton States, for the purpose of reviewing the credit situation in these States and determining what further credit will be needed to facilitate the harvesting and orderly marketing of this crop.

At the present time the five reserve banks in question are lending to their members \$457,000,000, or more than 26 per cent of the loans of the entire system, the Richmond bank borrowing from other reserve banks \$20,000,000, and the Dallas bank borrowing \$16,000,000 for that purpose. The total loans of these five reserve banks to their members exceed their reserve deposits by \$192,000,000, whereas the reserve deposits of the other seven reserve banks exceed their loans to their members by \$118,000,000.

The Federal Reserve Board and the governors of the Federal reserve banks announce that the Federal reserve banks, in addition to credits already extended, are able and stand ready to extend further credit for the purpose of harvesting and marketing the coming crop in whatever amount may legitimately be required, either directly to their member banks or under a ruling now issued by the Federal Reserve Board, indirectly to nonmember banks acting through the agency and with the indorsement of a member bank. These loans will be made by the Federal reserve banks upon notes, drafts, and bills of exchange issued or drawn in accordance with the terms of the Federal reserve act and the regulations of the Federal Reserve Board for the harvesting and orderly marketing of the coming cotton crop.

In order, however, that these rediscount facilities of the Federal reserve banks may be made fully effective it will be necessary that member banks in the cotton States place their loaning facilities freely at the disposal of cotton producers and dealers in their respective localities with the knowledge and assurance that the Federal Reserve Board and the Federal reserve banks recognize the urgency of rendering all proper assistance to these important interests during such abnormal times.

Mr. Meyer, managing director of the War Finance Corporation, who attended the conference, reviewed the activities of the War Finance Corporation in making loans for financing cotton for immediate and future export. Governor Strong, of the Federal Reserve Bank of New York, and representatives of certain New York member banks were also invited to the conference to discuss the necessity or advisability of having various commercial banks through the country establish a fund for the purpose of making loans upon cotton. In view of the conclusions reached by the conference as to the ability of the Federal reserve banks effectively to take care of all of the legitimate requirements of the cotton interests, it was felt that the establishment of such a fund at this time is neither necessary nor advisable.

Mr. President, we all know and we ought to bear in mind at this time that the drop in prices in 1920 was world-wide. Moreover, it was foreseen and warnings of the impending and inevitable drop in prices were abundant and frequent. Every business man of experience and sound judgment knew that prices were becoming unbearable; that the war level of prices could not and ought not to be maintained, and that the persistent attempt on the part of speculators to push them higher and higher would end precisely as it did end. I am not saying that there were no instances where further extensions of credit would have been beneficial to certain interests. The point that I want to make clear is that there was no concerted action, no conspiracy, to deprive the rural sections of the country of credit that existing conditions and circumstances would warrant. To illustrate, the first large interest to feel the decline was the live-stock interest; and why? The exports of meat products from the United States in the fiscal year ending June 30, 1919, aggregated 3,338,000,000 pounds, but in the year ending June 30, 1920, they dropped to 2,048,000,000 pounds, and in the fiscal year ending June 30, 1921, our meat exports declined to 823,000,000 pounds. This enormous falling off in our exports of meat products immediately affected live-stock values, and their decline in price was universal. Spring trade in general in 1920 was not satisfactory. Far-seeing merchants began to cut prices and cancel orders, yet in May wheat sold as high as \$3.45 a bushel and as late as September it sold as high as \$2.75 a bushel. Cotton sold in July, 1920, at 43.75 cents per pound. It was natural for the farmers to want top prices for their products;

consequently they held them, hoping against hope that the decline was temporary and that prices would soon resume their upward rush.

I will say at this point that the present price of wheat is proportionately low; there is no question about that; but when we remember that, according to recent reports which have been received from the International Bureau of Agricultural Statistics, which is located at Rome, the production of wheat this year is estimated to be in excess of 650,000,000 bushels over normal years it is easy to see why the price of wheat is not so high as it should be, compared with that of other products.

The farmers at the beginning of the deflation period sought credits that would enable them to hold their products, and the banks, anxious to do business at a profit, were tempted in many instances to renew loans when they should have advised their customers of the impending storm and encouraged them to liquidate and sell at prices that were very much higher than the ones they were ultimately compelled to take. This is demonstrated by the fact that during the period when the most serious credit strain occurred loans by the reserve banks to member banks in the agricultural sections increased 57 per cent, in the semiagricultural sections these loans decreased 2 per cent, while in the industrial communities they decreased 29 per cent.

In view of the fact that there was so much complaint during the deflation period that the credit systems of the country were not accommodating the agricultural interests as they should, I think that statement is very important in the consideration of the subject.

It seems to me that Congress at this time should be careful to avoid as far as possible the establishment of credit facilities that will invite the farmers of the country to put on more sail and get farther and farther from shore when the next deflation storm approaches. Business depression and unemployment have been far more serious in other countries than in the United States. Everywhere enormous losses have been suffered in all industrial activities, all due to the paralysis and disorganization of industry due to the war and the consequent issue of unlimited credit.

Our purpose should be to insure to the agricultural interests reasonable credits at reasonable rates of interest, to the end that agricultural conditions may be improved, that the cost of production may be reduced by more scientific processes. It is important that we encourage and in every way assist the farmers to adopt cooperative methods for the economical control and distribution of their products. We should not invite them to indulge in the hope that regardless of the methods which they may pursue they will be provided with funds that will enable them to hold their crops until they can sell them at a profit.

The attempts of the Brazilian Government to peg the price of coffee furnishes a lesson which it would be well for us to heed. A few years ago the Government of Brazil conceived the idea that it would be a good plan to valorize the price of coffee with money taken from the public treasury. The surplus of coffee increased so rapidly and required so much money that Brazil was tempted to start her printing presses to furnish the cash. She was warned not to do this by the coffee buyers in different parts of the world, and I noticed in the press the other day that large importers of coffee in the United States were considerably worried over the fact that coffee was coming into this country from sources outside of Brazil in such large quantities that it was likely to break the back of the Brazilian monopoly and cost the American importers dearly on their outstanding contracts.

Credit conditions in this country at the present time are on a sound basis. I would not minimize the fact that the farmers are having hard times in many sections, nor would I discourage extending relief; but the fact is that normal credit conditions have already been reached in many sections of the country. This is indicated in many ways. The national banks throughout the country are reporting very large increases in their deposits. It is reported that generally throughout the South frozen credits or loans are nearly wiped out. Nonmember banks have reduced their indebtedness 80 per cent in the last year. In Houston, Tex., deposits are in excess of \$100,000,000, an amount never before equaled in the history of that city.

One of the leading exporters of cotton appeared before your committee and testified that Germany was now importing close to her normal pre-war consumption and that the purchasers were meeting their payments on time and without the least difficulty. This can be readily understood when we bear in mind that Germany sold nearly a billion dollars worth of marks to Americans when the price was far below par. It should also be borne in mind in this connection that foreign loans

measured in dollars sold in this country in the four years from 1919 to 1922, amounted to \$2,500,000,000. It is estimated that our purchases of American securities from foreign holders since 1914 amount to \$3,000,000,000, and that we have advanced \$3,000,000,000 on commercial credits.

During the inflation period the farmer was very certain that the rise in prices would be maintained. Statesmen, editors, and candidates assured the farmer that low prices had passed away for all time. Instead of investing his profits in safe securities he bought mining and oil stocks or increased his acreage.

I remember that in the winter of 1919 the former Senator from Iowa, Mr. Kenyon, introduced what he denominated a "blue sky law," which was referred to the Committee on Banking and Currency. We had protracted hearings upon that bill, and my impression is that the very gentlemen who are now here urging credit legislation in the interest of the farmers appeared before our committee and testified that the farmers in the Middle West were buying, I think, at the rate of half a billion dollars a year, gold-mining stocks where there was no gold and oil wells where there was no oil, and that Congress should lose no time in coming to the rescue of those farmers in the Middle West who naturally, like everybody else, when they were making money wanted to make it a little faster, and who invested in spurious stocks. In every agricultural State land speculation forced prices to a point where increased taxes and capital investments rendered profits impossible. When the crash came the bankers were held responsible, but it is evident now that his fault, if any, lay in granting too liberal credits in many instances. Not being able to convince the farmer of the unwisdom and impossibility of further extensions, the banker laid the blame upon the Federal Reserve Board. In some sections both banker and farmer entirely lost sight of the real purpose and possibilities of the Federal reserve system as a system to meet emergencies and not to intensify and aggravate them. It was forgotten that the reserve banks served widely separated sections of widely divergent interests and that they were managed by directors chosen by entirely different groups of men. It did not follow that available credits in one district implied unfair discrimination. The record simply indicates more careful management in some districts than in others. The record also shows that security speculation was controlled much more easily than speculation in farms and their products.

Mr. HEFLIN. Will the Senator from Connecticut yield to me?

Mr. McLEAN. I will say to the Senator from Alabama that, while I do not like to be discourteous, I should like to finish my statement in a connected manner, and after that I shall be glad to yield.

Mr. HEFLIN. Very well.

Mr. McLEAN. If there was a difference of opinion between the Treasury Department and the Federal Reserve Board as to the wisdom of the policy of the Secretary of the Treasury in meeting the needs of the Government, I do not care to criticize either branch of the Government but merely to call attention to what was said and done by men responsible for the Treasury and the Federal reserve system. In March, 1921, Mr. R. C. Leffingwell, Assistant Secretary of the Treasury, in an article printed in the American Economic Review, said:

During the whole period of the war any attempt of the Federal Reserve Board to control credit through rates would have been futile. The Treasury would have had to meet any rate they made at home, and the Federal reserve bank rate could have no effect upon the international situation, because the international movement of goods, gold, and capital was controlled by foreign governments or our own for the purposes of the war. The adoption of a "dear money" policy during the war with a view to preventing inflation would have failed of that purpose unless it had been carried to such an extreme as to bring about such conditions in war time as exist to-day, in which case we should have lost the war and would have had to inflate afterwards in order to pay the indemnity which Germany would have imposed upon us.

After the war was over in the fighting sense it went right on in the Treasury sense. We reached the peak of expenditures in the three months, November and December, 1918, and January, 1919. We spent \$2,000,000,000 a month. That was as much as the first Liberty loan each month. Since armistice day this Government has paid out as much as before armistice day—twenty billions before and twenty billions after. The gross debt of the Government on armistice day was eighteen billions. Nine months later it was twenty-six and a half billions. While the Government debt was mounting thus, the same condition continued which had existed during the period of active warfare.

It was no more practicable to exercise control of credit by the use of dear money than it had been before. Indeed, it was less practicable, because the enthusiasm, devotion, and self-reliance of the American people while war was on vanished overnight with the signing of the armistice. The bills did not get paid any easier, but a good deal harder, because the Germans had capitulated.

Though something may be said for the view that in the latter part of 1919 there might have been a somewhat earlier and greater advance in rates on commercial paper and in the open-market buying rates for acceptances, my own judgment is that this is a question of detail rather than of substance, and that the effort to make money really

dear before January, 1920, when the Government was first able to reduce its floating debt to manageable amounts and maturities, would have risked more than it could have hoped to gain.

Whether the position of the Secretary was right or wrong, an increase in the discount rate was impossible.

In April, 1919, we find the following warning in a bulletin issued by the Federal Reserve Board:

Already some well-managed member banks are showing in their statements the extent to which they are in debt to Federal reserve banks. It has been the opinion of the board that the borrowing of member banks at Federal reserve banks might very easily be carried to excess, the loans being placed there primarily for the purpose of profit and not for any more general public or fundamental object. In a general letter to banks, issued on November 19 (1918), and referred to in the Federal Reserve Bulletin for December, the board took occasion to caution member banks which it was thought were in some danger of overdoing their rediscounting, that the purpose of such rediscount operations was not primarily that of assisting the member institutions which placed the rediscount to obtain the funds for further profitable operations, but was, rather, to be determined upon the basis of general banking advantage or upon that of relief for banks which found themselves hard pressed or were suffering from reductions in reserve account.

Bearing in mind that the highest discount rate at any time imposed by the Federal Reserve Board was 7 per cent, it must follow that unjustifiable discrimination, if any, must be laid at the door of the primary loaning bank, over which the Federal reserve banks have no control.

Mr. President, the fact is, the critics of the system failed to note that extensions of credit must come to a point where they can not be of general benefit. In other words, there comes a time when rising prices can not be offset by easy money.

I do not intend to engage in a discussion of the quantity theory of money. Professor Taussig says that other things being equal the theory is sound, but he adds that other things are never equal. It is unnecessary that we should agree as to whether rising prices created by the war demands necessitated the large increase in credits and currency, or whether it was the increase in the credits and currency that stimulated the demand. The fact is that there will always come a time when inflation must cease.

Late in the year 1919 it was very clear to the impartial observer that the increase in currency and credits had reached the limit of its beneficial effect upon the industrial and productive activities of the country. By December, 1921, the total reserves of the Federal reserve system were \$2,999,200,000, which would authorize a Federal reserve note issue of \$7,480,000,000. According to the comptroller's report for September, 1921, the net deposits of national banks aggregated \$10,800,000,000. When we bear in mind in connection with this statement that \$1 in gold or lawful money deposited by a country bank in a Federal reserve bank as reserve for its demand deposit would authorize that bank to lend \$40 in deposit credits, we can see that the Federal reserve system, reposing as it does in the Federal Reserve Board the power to suspend altogether the gold-reserve requirement, contains seeds of inflation which, if permitted to germinate, would permit credit and currency conditions approximating those now prevailing in France.

Moreover, in any successful attempt to benefit the agricultural interests as a whole it must be borne in mind that these interests differ greatly in different sections of the country, and in the same sections of the country, for that matter. The poultry raiser wants everything cheap but chickens and eggs. The dairyman wants everything cheap but milk and butter. The fruit growers are not anxious to peg the price of anything but their products. The tobacco growers are not concerned in raising the price of wool or cotton or foods of any kind. The cotton grower will bear with great equanimity reasonable reductions in the price he has to pay for food and woolen raiment. The wheat grower wants his sugar cheap. The sugar-beet grower is not interested in boosting the price of wheat. The herdsman likewise is interested in looking out for number one. The potato growers have no special interest in keeping up the prices of other varieties of foods.

During the war the dairymen in my section of the country paid prices for hay and grain that were not reflected in the price they could obtain for their milk; and many of them were forced to dispose of their herds in 1918 and 1919, when the farmers of the West were very prosperous. In the Connecticut Valley are many well-managed dairy farms. I doubt if any of them made money during the war, or since the war, for that matter, owing to the increase in the cost of production. It is true that the price of milk has increased until the consumers complain, but at no time has the producer received a satisfactory portion of his dollar.

So, when we speak of the farmers, we must bear in mind that their interests are far from identical. They may all agree that the prosperity of one class depends upon the pros-

perity of all the other classes; but it therefore follows that Congress, in any endeavor which it may put forth to benefit the agricultural interests, must be exceedingly careful to legislate in the interest of all. We may admit that the prosperity of the agricultural interest as a whole is most vital to the prosperity of the Nation; we may admit that it must have access to adequate credits at reasonable rates of interests; but our efforts to help the farmer may cost more than they are worth if we establish unnecessary credit-distributing agencies. Every dollar expended in overhead charges, in clerk hire, in rents and furniture, every unnecessary loan, and every defaulted loan adds to the interest rate which the borrowers in general must pay.

There are too many credit merchants to-day, as there are too many meat markets and grocery stores. One-half the number of banks now in existence could easily and evenly distribute all the credits required to meet every legitimate demand. Already the banks in the East are realizing the economies and advantages of consolidation. Thirty thousand commercial banks means 625 banks for every State, a bank for every 3,500 inhabitants, a bank for every 800 families—enough to supply four times the credit needs with convenience and dispatch if they were properly coordinated, located, and administered. Setting up another chain of credit merchants involves an economic waste which should be avoided, if possible. Banks can not make money. They do not manufacture credits. The capital that goes into a new bank adds nothing to the total. It must be withdrawn from the supply already on hand.

What the farmer wants, and should have, is a just and fair portion of his own dollar—the dollar he wrings from the soil when blights and bugs and weather permit. The farmer must not only control and check the enemies which Mother Nature marshals for his entertainment and destruction, but he must control and protect his market from uneconomical manipulations as well as from the onslaughts of the engrosser and forestaller. He must manage somehow, either by reducing his cost of production or by the protection of his market, to get for his goods more than the cost of production.

It will be much more equitable and profitable for the consumer in the long run to pay a living price to the farmer; and certainly it will not help the farmer to provide credit facilities that will do nothing more than enable him to add to his debts and encourage him to continue to do business at a loss. When the farmers of the country learn the wisdom of organization and cooperation in the distribution of their goods they will find themselves on the high road to adequate and convenient credit accommodations.

The wisdom of this course has been abundantly demonstrated in many sections of the Union. Fruit-producing sections in California which a few years ago were bankrupt are now the richest in the world. The tobacco growers in the Connecticut Valley have for years sown without reaping to any great extent. I would not belittle the undeserved and dire calamities that have befallen the farmers in other sections of the country, but I commend the searchers for agricultural tragedy to the record of losses sustained by my neighbors, who, owing to western competition in the production of foodstuffs and clothing fabrics, have been compelled to put their capital into expensive tobacco sheds and lands.

They have lived in constant dread and at the mercy of hailstorms, wildfire, droughts, floods, frosts, worms, and, worst of all, the New York buyers, who have consistently combined to bear prices to starvation levels. They have remained in the business because they could not get out, just as the wheat grower in North Dakota finds himself chained to his job, and the cotton grower of the South finds himself in one-crop bondage from which he can not afford to buy his release.

The Connecticut tobacco growers can produce as fine cigar wrappers as are grown anywhere in the world, and once in a while they make good money. Most of them have dairies and a few hens and pigs, a most valuable possession during the lean years, and one that I would recommend to the farmers in the Northwest and in the South. This year the tobacco growers of the Connecticut Valley made up their minds that they would at least attempt to protect the market for their crop if they were fortunate enough to grow one, and under wise leadership they have formed a cooperative marketing association which has been joined by 85 per cent of the growers up to date. They have borrowed \$8,000,000, at a reasonable rate, with which to cure and market their crop in an economical and orderly manner; and if they can retain their confidence in themselves, and give their experiment a fair trial, each tobacco grower will get a fair share of the dollars to which he is entitled.

Men who have exhausted this subject in theory and in experiment agree that organization and cooperation in economical, self-controlled units, wisely regulated and encouraged by State

legislatures, which are close to conditions and necessities, are the first things to be considered by the farmer who would reduce the cost of production and increase his profit, and at the same time provide the American people with food and raiment at reasonable prices.

The question for us to answer now is, What can Congress do that will hasten and not retard the farmer in his effort to surmount untoward conditions which can be controlled? As I have already pointed out, the Federal reserve system can furnish all the credits required to finance the sale and distribution of goods. The purpose of its framers was to provide a method for conserving and mobilizing the reserves of its member banks, so that they might always be kept fluid and ready to meet every legitimate demand for currency and every legitimate demand for the distribution of sound credits, and experience has demonstrated that the system under sympathetic management can easily cross the dead line and encourage undue expansion.

Later on Congress created the Federal farm loan system, for which the initial capital was taken out of the Treasury of the United States. Congress did this because the farmers in many sections of the country were unable to secure legitimate and necessary loans secured by farm lands at reasonable rates of interest. At the time the bill was drafted it was admitted that the rate of interest on farm-mortgage loans exceeded 6 per cent in 36 States, and was as high as 10, and perhaps 12, per cent in some States. The complaint of the farmer was confined to his inability to get a loan on his farm at reasonable rates. Congress properly took the view that the farmer owning a small farm was entitled to a loan at reasonable rates of interest. Congress desired to protect and encourage individual ownership of farms, and it realized that in very many instances men desiring to engage in farming could not purchase farms and would not purchase farms or operate farms unless they could obtain a long-time loan and carry it at a reasonable rate of interest. With this in view the act provided for loans running from 5 to 40 years. The plan permitted the farmer to control the length of time which the loan should run.

Under the amortization privilege embodied in the act, the farmer who borrowed one thousand at 5½ per cent and on a 1 per cent amortization pays \$65 a year in semiannual payments of \$32.50 each until the loan is discharged. This is 6½ per cent on the sum borrowed, but it not only pays the interest but discharges the entire loan itself within 34½ years. The first payment is \$27.50 in interest and \$5 on the principal. The next payment is figured at 5½ per cent on the reduced amount of principal, \$995, and will be applied as follows: \$27.36 for interest and \$5.14 on the principal. He continues to make payments of \$32.50 every six months, but the interest payment is constantly growing smaller and the payment on the principal steadily growing larger. At the end of 34½ years he pays \$1.71 interest and \$30.79 on the principal and his farm is free from debt. The advantages to the farmer are apparent. He has no fear of foreclosure, and if he keeps up his semiannual amortization payment his entire mortgage will be liquidated when it comes due.

The Farm Loan Board has defined an actual farmer as follows: "One who conducts the farm and directs its entire operation, cultivating the same with his own hands or by means of hired labor." Loans may be made to provide for the purchase of land for agricultural purposes, to provide for the purchase of equipment, fertilizers, and live stock necessary for the reasonable operation of the mortgaged farm—the term "equipment" to be defined by the Federal Farm Loan Board—also to provide buildings and for the improvement of farm lands—the term "improvement" to be defined by the Federal Farm Loan Board—also to liquidate indebtedness of the owner of the land mortgaged incurred for agricultural purposes or incurred prior to the organization of the first farm-loan association established in and for the county in which the land is situated.

The Farm Loan Board has ruled that the term "equipment" shall include all improvements necessary to facilitate the operation of the farm, such as teams, machinery, tools, and the like. The term "improvement" has been defined to include anything in the form of a beneficial structure, or any useful, permanent, physical change tending to increase the productive value of the farm, such as clearing lands of timber, tilling, draining, fencing, and building. The board has ruled that all land included in the mortgage need not be cultivated, and that one purpose for which money may be borrowed is to prepare land for cultivation, and a reasonable amount of pasture land in connection with a farm is desirable. It has also ruled that loans may be made on lands which are primarily agricultural lands on which, however, there are leases carrying the right to remove oil, gas, or other minerals, provided that the extent to which such use

may interfere with the land for agricultural purposes be taken into consideration. In such cases the land banks are to require the borrower to include in his mortgage his rights under such lease, and the proceeds therefrom shall be applied to the payment of the mortgage, and where lands are subject to annual charges for drainage this charge may be regarded as of the same nature as a municipal or school-district tax, which do not prevent the making of a loan on such land but must be taken into account in appraising its value. Orchard lands and lands under irrigation or drainage projects have been considered with special favor by the Farm Loan Board.

While the value of orchards consists largely in the trees and not in the land, and the trees are not a permanent insurable improvement in that they are subject to utter destruction by either freezing or neglect, the board ruled that orchards may be regarded as permanent improvements and may be taken into consideration as enhancing the general value of the land and in determining its productive value. The expense of the land banks consists largely in appraisements of land and examination of titles. The system was created not for the purpose of financing the large farms nor for the purpose of enabling capitalists to take advantage of the small farmer in periods of depression and force him from his home. The act was created for the purpose of protecting and increasing the number of small farmers, who are the real mainstay of agriculture. But to the small farmer and to the man who wants to leave his employment in a mercantile establishment and secure a small farm the act offers every advantage and has already demonstrated its usefulness. The system is designed for the bona fide operator and not the speculator in land. To this end the act provides that the capital stock should be subscribed by the borrowing farmer and not by the outside investing public.

But, Mr. President, I realize that both of these measures, the Federal reserve act and the Federal farm loan act, were put into operation before we entered the war. During the war, during the period of rising prices, the farmers had no trouble in securing credits or a profitable market. It was when prices began to drop that the farmer's troubles began.

Urgent appeals for assistance were presented to Congress, and in August, 1921, Congress revived the War Finance Corporation, which placed almost unlimited Government credit in the hands of patriotic and sympathetic management for the purpose of assisting agriculture to carry the burdens of deflation. The report of the manager in chief, recently published, gives a detailed account of timely assistance rendered to the food, cotton, and wool producers of the country. During a large portion of the deflation period the loans authorized averaged more than \$2,000,000 a day.

I remember that Mr. Meyer appeared before the committee and testified that in the State of North Dakota the War Finance Corporation made loans to 600 banks, and those 600 banks took the notes of 26,000 farmers of North Dakota as security for those loans, showing that Congress has been far from negligent in its efforts to extend to the farmer every possible advantage in the way of legitimate credits.

Up to November 30, 1922, the corporation approved advances totaling \$433,447,000 in 37 States—\$182,859,000 to 4,400 banking institutions, \$77,761,000 to 113 live-stock loan companies, and \$172,827,000 to 32 cooperative-marketing associations. The live-stock loans in the West amounted to \$90,001,000; on cotton, \$81,848,000; on grain in the West and Northwest, \$36,790,000; on peanuts in Virginia, \$2,045,000; on tobacco in Kentucky, Indiana, and Ohio, \$40,000,000; on rice, \$10,250,000; on sugar beets, \$11,438,000; and for general agricultural purposes, \$159,180,000. Of the amounts authorized and approved, \$265,598,000 had been actually advanced by November 30, 1922—\$168,258,000 to banking institutions, \$73,452,000 to live-stock companies, and \$28,888,000 to cooperative-marketing associations. Repayments received by the corporation to November 30, 1922, on account of these loans totaled \$109,938,000, of which \$71,243,000 was repaid by the banks, \$24,129,000 by live-stock companies, and \$14,566,000 by cooperative-marketing associations, leaving a balance outstanding of \$155,660,000. Of this balance \$97,016,000 is due from the banks, \$49,323,000 from live-stock loan companies, and \$9,321,000 from the cooperative-marketing associations.

In addition to these loans the War Finance Corporation, after the time it resumed operations in January, 1921, authorized advances amounting to \$53,374,000 for the purpose of financing exports. Thirty-eight million three hundred and seventy-nine thousand dollars of this went to the banks, \$9,733,000 to exporters, and \$5,262,000 to cooperative-marketing associations. Of the total amount authorized for export purposes, \$5,778,000 represented advances on grain, \$3,246,000 on tobacco, \$35,759,000 on cotton, \$3,120,000 on other agricultural

products, and \$5,471,000 on manufactured commodities. On November 30, 1922, \$38,654,000 had been actually advanced—\$28,469,000 to the banks, \$7,547,000 to exporters, and \$2,638,000 to cooperative-marketing associations. Repayments received by the corporation to November 30, 1922, from the export loans totaled \$36,594,000. Of this \$28,308,000 was returned by the banks, \$5,648,000 by the exporters, and \$2,600,000 by the cooperative-marketing associations, leaving a balance outstanding of \$2,060,000. All of the export advances made by the corporation to cooperative-marketing associations have been repaid in full. Of the loans made under the war powers of the corporation and its export authority prior to the suspension of its activities in May, 1920, there was outstanding on November 30, 1922, \$27,650,187, a total of \$83,496,000 having been repaid since the corporation resumed operations in January, 1921. At the close of business in 1922 the corporation had outstanding on loans a total of \$185,370,000.

The report referred to contains some very interesting conclusions as to the stimulating and helpful effect of the corporation's activities upon credit conditions in general, portions of which I quote:

In January of last year (1922) the effect of the corporation's activities began to be felt throughout the country. Conditions took a turn for the better and a progressive improvement set in. The corporation's loans strengthened the banking situation in the country districts and relieved the necessity of forced liquidation. They put the banks in position to carry their farmer customers for a longer period and to make new advances, and were a vital factor in bringing about a marked improvement in the whole economic situation. They not only helped the borrowing institutions and their farmer customers; they had a much more far-reaching effect upon the banks to which the corporation made no loans at all. In places where some banks were weak and some were strong the inability of the weak banks to serve their communities was accomplished by an unwillingness on the part of the strong banks to function in a normally confident and courageous way. The longer term rediscounts offered by the War Finance Corporation to the overextended banks, the restoration of market values following relief from forced liquidation, and the removal of the danger spots encouraged the more normal functioning of the strong banks and the more liberal use of their resources.

The psychological aspects of the corporation's work were of even greater consequence than its loans. A disturbed state of mind produced by financial pressure; a combination of hopelessness and resentment over inability to pay debts from the proceeds of sales at prevailing prices; a sense of injustice; disappointment in the past and apparently hopeless outlook for the future were the salient psychological facts in the situation when the corporation began to function under the agricultural credits act.

The problem was twofold. It was necessary to furnish financial assistance quickly to large numbers of farmers and stockmen, but it was even more vital to replace despair with renewed hope and to change the inaction of a discouraged people to the energy of restored confidence.

Considering the vast sums that are required annually to finance our agricultural and live-stock industries, the loans of the War Finance Corporation may seem relatively small. But the money was directed to the weak spots in the situation and helped to stabilize markets and to restore that element which is so vital to all kinds of business—confidence. The very fact that the corporation was in existence and the knowledge that it had the funds and the powers necessary to meet the situation was effective. Even before its funds were made available in large amounts a psychological reaction took place and confidence began to return.

At the suggestion of the President, the managing director in March and April, 1922, made a survey of the conditions then prevailing in the agricultural and live-stock districts of the West. At the conclusion of the survey a full report, which was printed as a Senate document (No. 199) was submitted to the President. The report indicated that there had been a noteworthy improvement in the agricultural situation. The demoralization which existed in the fall of 1921 had been largely overcome.

The corn and hog raisers of the Middle West were marketing their products and getting a fair return for them. The sheep raisers were selling their wool and fat lambs at satisfactory prices. Those engaged in the breeding and fattening of cattle were in a better position because of increased ability to finance their business and the improved market for their stock. Credit conditions in the West had greatly improved. The banks generally were beginning to function in a more normal way, funds were accumulating in the western financial centers, and there was a considerable increase in the demand for farm mortgages on the part of private investors, savings banks, and similar institutions.

It was evident that new loan companies with fresh capital were urgently needed, and that these companies would be most effective if they were locally owned and managed. Beginning with Salt Lake City, Cheyenne, and Denver, and following later on with Fort Worth, Albuquerque, and other western live-stock centers—from Montana and Oregon to New Mexico and Texas—the corporation succeeded in getting local bankers, business men, farmers, and stockmen to organize new loan companies, each with substantial capital, through which it could make live-stock loans promptly and on a large scale. At the time of the last annual report a number of these companies had been formed and were functioning helpfully. Since then the number has increased, and now their combined capital greatly exceeds the capital invested in all the live-stock loan companies that existed prior to October 1, 1921. And whereas the capital of the former companies was concentrated in a few places, principally in Chicago, Kansas City, and other live-stock market centers, the new companies are largely owned and managed locally in the live-stock growing States. These institutions not only have played an important part in meeting the emergency needs of the live-stock industry but they will undoubtedly fill an important place in the permanent structure of live-stock financing.

Of the loans authorized on live stock, totaling \$90,001,000, approximately \$77,761,000 represents advances through loan companies and \$12,240,000 through banking institutions. The greater part of the \$77,761,000 was placed through the new companies.

It is impossible to estimate the full effect of the aid given by the corporation to the live-stock industry, because calamities that are averted can never be measured. It is generally recognized, however, that by providing, as it did, financing for more than 6,900,000 head of live stock, the corporation checked the demoralization in the industry, gave the stockmen a breathing spell, stabilized the market, and turned the tide away from disaster toward recovery and reconstruction.

In the midst of the worst depression that the cotton industry has suffered in many years it was through the cooperative-marketing associations that the War Finance Corporation developed plans for extending assistance to the industry on a comprehensive scale. In the summer of 1921, when cotton was difficult to market at around 8 cents a pound at country points and when business throughout the cotton belt was in a demoralized condition, the corporation made its first large loan to an association in Mississippi on 100,000 bales of cotton.

The cotton was classified by the association according to grade and staple and placed in bonded warehouses licensed under the United States warehouse act. The loan enabled the association not only to make advances to its members for their urgent financial needs but also to market the crop through a greater portion of the consuming year instead of forcing it on a demoralized market.

Within a week or 10 days other loans were authorized on a similar basis to cotton cooperatives in Oklahoma on 200,000 bales and in Texas on 300,000 bales. There immediately followed a radical change in the cotton situation. Confidence was restored, other avenues of credit were opened up, buyers began to resume purchases on a liberal scale, and more normal conditions, with regard to both prices and volume of business, ensued. The change was promptly reflected in improved general business throughout the South.

The success of these cotton cooperatives encouraged the spread of the movement, and many new associations have been organized during the past year for the handling of cotton, wheat, tobacco, rice, and other staple products.

During the season of 1921-22 the corporation authorized loans totaling \$64,000,000 to 19 cooperative marketing associations in 15 States to assist in the orderly marketing of the products of their members. Of this amount only \$19,198,000 was actually called for by the associations, although the entire amount was available to them. It developed as the season progressed that the local banks were able and willing to care for their needs to a greater extent than had been anticipated. The corporation's commitments not only helped to create confidence but obviously the local banks were more willing to furnish funds to the cooperatives when they knew that the funds could in turn be obtained from another source and repaid to the banks in case of need.

All the reports received by the corporation indicate that its loans to cooperative marketing associations were vital factors in creating confidence and in making it possible for the cooperatives to finance the greater part of their requirements through banking channels. Not only that, but the loans had a marked effect on the general economic situation in the districts in which they were made. That effect was well expressed in a report from one of the cooperatives, which reads in part as follows:

"When this money came into our section and began to be distributed, it had the effect of almost instantaneously arresting the downward tendency and the depression which had enveloped business and industry. A new note of optimism, the beginning of restored confidence, was born, and its light has steadily grown brighter from that day on down to the present, and to-day the growers are on their sure and certain way back to prosperity."

Under all the circumstances it seems to me that Congress can not be accused of neglecting its duty to the farmer. It is easy to speculate as to what would have happened if the member banks had been more liberal in their renewals and advances in 1920 and 1921. It is easy to speculate as to what would have happened if the loan limit on farms had been increased to \$25,000.

But I must insist that Congress was not to blame for the withholding of credits by member banks, and Congress was not to blame for restricting loans on farms to \$10,000, as this was done at the request of those who at the time represented and spoke for the farmers—and wisely so, in my judgment. It is now claimed that the individual loans on farm lands should be increased to \$25,000, owing to the very great increase in the value of farm land; and while there is force to this view, there is still a wide difference of opinion as to whether the increase to \$25,000 will be of benefit to the small farmer; and this brings me to a point where I must say a few things which I think ought to be said when we attempt to establish permanent machinery for the advancement of what are called intermediate credit—that is, credit that will bridge the gulf between the accommodations provided by the Federal reserve system and the Federal Farm Loan Bureau.

Both of these credit institutions were organized before the war came on, and they promised fully to meet the needs of agriculture. It is my firm conviction that but for the war the Federal reserve system and the Federal farm loan system would have covered the field of wise and necessary credit accommodations. But the war came on, and everybody turned to the land as the primary source of the forces that would insure ultimate victory. Everybody who could engaged in farming. The man without a hoe was the exception. Everybody who could get control of a square rod of the surface of the earth planted it, and everybody who had been in the habit of cultivating acres cultivated more acres. Wheat was grown in

Connecticut in considerable quantities for the first time in 70 years. The flower gardens were turned into vegetable producers. The man who did not plant his back yard to potatoes and his front yard to beans was put down as pro-German and his antecedents investigated. We must feed ourselves and our allies or the worst might happen. Our soldiers must not only have wholesome food in abundance but they must have woolen uniforms and sound and dry footgear. The treasuries of the world bid against each other for war supplies. The sudden demand for goods at any price was world-wide. Credit expansion was made easy by rapid increases in values. The price of breeding stock grew like Jonah's gourd. Every profiteer was a patriot and every patriot was a profiteer. Everybody who could not get land started a shop, a meat market, or a grocery store. Everybody who had a factory increased its size, and on the very top of this world wave of rising values rode the land of the farmers.

The census of 1920 shows that the number of farms in the United States in 1910 was 6,361,502; in 1920 it was 6,448,343, an increase of but \$6,841. The total value of farms in the United States in 1910 was \$34,801,125,697; in 1920 their total value was \$66,316,002,602, an increase of \$31,514,876,905.

The record of the census, which is probably below rather than above market values, shows that the value of the unearned increment in farm lands during the war increased rapidly and kept pace with the increase in other kinds of property. More water was pumped into our farms during this period than was pumped into the railroads since the first rail was laid. Noah's inundation was an April sprinkle compared with the inflation flood that covered the principal agricultural areas of the United States in 1919 and 1920. Every farmer built an ark of his own, and at the first sign of receding water he fell to his knees and prayed for more rain and the utter damnation of the Federal Reserve Board. The latter portion of his invocation was answered in a large measure, but the rain did not continue to his satisfaction.

I know, because I was one of them. I was convinced that it was my patriotic duty to buy sheep. I conceived the idea that if I bought another man's flock of sheep I doubled the number; and I paid \$25 and \$26 a head for ordinary sheep, because I wanted the soldier to be able to wear woolen clothing. Two years later I sold those sheep for \$10 a head, and the man to whom I sold them sold them for \$8, and he lost money.

What might have happened if a different course had been followed by the banks of the country nobody will ever know. But we know that it is still raining money in Germany and Russia, and we know the results, and from their experience we safely may conclude that inflation floods may do more harm than good if carried to excess. Apparently what the farmers now want and expect Congress to invent and apply is a banking machine of mechanical accuracy, a sort of automatic credit sprinkler, possessed of prophetic vision and ultimate wisdom, that will open and shut the valves of credit entirely free from the errors and desires of human agencies, until "peace shall come as a river and glory as a flowing stream." It is my opinion that this can not be done, and it can not be done because our credit machine will be run by men. Undue credit and currency expansion is always the result of overconfidence and lack of experience in the individual and ignorance of economic and natural laws, over which Congress has no control. As the late Thomas B. Reed once remarked, "Good and bad times, rising and falling prices, have alternated since the founding of the pyramids," and he might have added that they will continue to alternate as long as prices are paid for goods. Variety in prices is the romance of trade, and the possible profit to be gained is the mainspring of commerce. Remove the possibility of gain and you remove the incentive to produce and distribute. It is the promise of unusual profits that cuts costs, raises wages, and in the end reduces prices, and the individual who is making money on his own initiative will seldom concede that the price of his product is too high until it is too late to save him from the natural consequences of his error. The best that Congress can do is to fix a rule which, if intelligently obeyed by banker and borrower, will prevent disastrous extremes such as now prevail in many of the large nations of Europe. But any law which confers upon an administrative officer discretion broad enough to secure the benefits desired will also permit dangerous abuses in ignorant, unskilled, or dishonest hands, and there is no business so easily disturbed, no business which requires more careful management, than that of the banker. He is handling other people's money, which he must return to its owners on demand, and if true to his trust there are times when he must act with exceeding caution. Moreover, the man who by thrift and industry saves more than he spends and puts his surplus in a bank for safe-keeping is entitled to as much consideration as the man who borrows it.

The war came and went. During the first few months after its close there were symptoms of returning sanity in the industrial world. Prices stopped rising for a brief period. Uncertainty as to the future advised caution, but the vast nominal increase in capital values and the purchasing power of the people and the glorious victory won by our soldiers soon allayed all doubt of our future, and the upward rush of prices was resumed until the summer of 1920, when a consumers' strike threatened disaster to the producers. The presidential campaign was in full swing. Statesmen in the Senate demanded that the cost of living be reduced; price reducing resolutions were the order of the day. Statesmen outside of the Senate were careful to exempt home-grown products from the high-price blacklist. Indeed, it was reported that in the South statesmen promised 50 cents a pound for cotton; in the West \$4 a bushel for wheat; in the North and East generalizations were more necessary, but no doubt was left in the mind of the voter as to the ability of Congress to perform miracles. There was nothing new in this method of tilting for party success.

The leaders of both parties have always promised the impossible. The ins fail to bring millennial conditions and the outs are given a chance. Without much regard to the merit or the achievement of things possible, the pendulum swings from one party to the other until the disappointed citizen sees in "insurgency" the only hope of electing men to office who can make money out of moonbeams and philanthropists out of profiteers. The ardent, earnest, and virtuous progressive gets along first rate until he is elected in numbers sufficient to get control of the Government, when he in turn must cross the dead line and be covered by his own avalanche or he must join the ranks of the hard-boiled reactionary enemies of the people. I am not saying that there is no choice in men and parties, but I do say that the ultimate and perfected self-government begins and ends with the good behavior of the individual, and that self-reliance is at the foundation of all material and moral progress. Mass prejudice and class cupidity, if they continue to strive to get even with each other by sifting ignorance through a ballot box, can bring but one result, and I do not care whether the leadership is hard or soft boiled. When prices go too high they will start the other way and go too low until the producers of the country by cooperation apply the only possible remedy for these undesirable extremes. I realize that in war all rules must be broken temporarily, and I realize that the economic crisis and losses of the war did not reach a large number of our farmers until the summer of 1920. It is for this reason that I did not oppose sending the War Finance Corporation to the rescue of agriculture; it was for this reason that I did not oppose governmental attempts to regulate the price of agricultural products during the war. I will admit that prices were first boosted and then broken as the direct result of forces set in motion by the war and which were too much for human nature to resist. There was, in my opinion, no other excuse for the continued activities of the War Finance Corporation. As a permanent policy it is indefensible. Governmental price-fixing in times of peace has been tried by every nation in history, by all the older States of the Union, and without exception it has defeated its own purposes and brought ruin to the class it was intended to benefit. Fortunately, this governmental attempt to relieve the distress of certain agricultural interests with the aid of money taken in taxes from the pockets of the American people was in good hands. But if it results in new demands for like assistance in times of peace and these demands are granted as a permanent policy it will prove to be the worst investment the American farmer has ever made.

It is clear to me that the assistance rendered by the War Finance Corporation, taken in connection with the credit facilities provided by the Federal Reserve Board and the Federal farm loan act, to which should be added the Fordney-McCumber tariff rates, ought to silence forever all complaint that Congress has neglected the farmers. The danger in the premises is that Congress may be induced to enact legislation that will discriminate, if not destroy, the smaller individual farmers who constitute the backbone of the Nation, and by encouraging them to do business at a loss so add to their debts that they will fall an easy prey to the capitalistic landlord when the next period of low prices arrives.

The rapid increase in tenant farmers will not be checked by granting subsidies and special favors to land speculators and the owners of large commercial farms. Those who speak for the farmers insist that there are times when they should be able to borrow money for periods running from nine months to three years and that notes of nine months' maturity should be eligible for rediscount by the Federal reserve banks. If this extension should be granted and the notes could not be used as collateral for currency until within 90 days of maturity, every

legitimate need would be met. If longer credit than this is required, the note should be renewed. Sound banking requires that the security for this class of paper should be examined and appraised once in six months at the outside. Any system that impeaches and disregards the experience of centuries in the granting of credits secured by chattels, the value of which may be impaired by improper care, will prove to be unwise as it is unnecessary. Surely the man who earns the money to be loaned should not be held responsible and suffer all the consequences of the misfortunes and lack of judgment in the borrower. I am willing to vote to amend the Federal farm loan act and increase the individual line of credit from \$10,000 to \$25,000, and I shall gladly support the pending bill, which encourages the formation of cooperative marketing associations, for it is my opinion that it is through this agency that the farmer will find ways and means to withstand the devices of the speculating middleman and prevent alternating gluts and scarcity, to the advantage of himself and the consumer.

Mr. President, the farmer must bear in mind that, while general overproduction is impossible, disproportionate production is easily brought about. I can remember a season in New England before the war when chickens brought 40 cents a pound and potatoes 20 cents a bushel. A 5-pound capon was worth as much as 10 bushels of potatoes. This lack of equilibrium is very difficult of regulation, and its seriousness can be modified only by intelligent cooperation. It can not be remedied by Congress. Any governmental attempt to peg the price of this year's surplus and hold that surplus for an orderly market must have coupled with it the power and the duty to limit and allot to the several farmers of the Nation their production quota. Can the imagination devise a more disastrous, a more unpopular, program than that involved in the creation of a Federal bureau clothed with the power and the duty to tell the farmers of America how many acres each may cultivate, and for what purpose, how many bushels and pounds of grain and meat, how many hens and pigs and cattle and horses each may own? Yet this would have to be done or the surplus of any given product would soon be so great that sales would be impossible.

The farmer should also bear in mind that one man to-day can cultivate double the acreage that he could before the days of the tractor; moreover, a surplus in foods is known by everybody and the price is affected accordingly. And let me repeat that the general lack of profit in agriculture is not confined to this country; it is universal. In Sweden, where direct war costs were entirely escaped and where everything is done by the Government to sustain and stimulate the agricultural interests, the farmers are worse off than in the United States. Yet, notwithstanding this fact, the war emphasized the vital importance of agriculture to all the leading nations of the earth and shook to its foundations the British idea of specialization in the division of labor—the idea that great producing units should be allocated to the nations of the earth in obedience to an alleged special fitness to make certain things.

Great Britain for years insisted that her prosperity lay in cotton spinning and weaving and in certain lines of cutlery, permitting other countries to feed her increasing millions. If the war taught England no other lesson, it taught her the vital necessity of diversified production. We are fast learning the seriousness of the transportation tax upon commerce, but we are not yet alive to the importance of saving the transportation tax by producing in every State as many of the basic necessities of life as natural limitations will permit. The farmers of the West complain of the railroad rates required to pay the cost of carrying their products to the East. The farmers and manufacturers in the East complain of the cost of bringing their raw materials from distant points. As long as the margin of profit due to the superior fertility of the soil in the West offsets the carriers' charge to the East, it was wise and economical for the eastern dairyman to have his corn raised in the West; and this same rule would apply to the production of all foods and fibers. But when the price of land becomes so high in the West and its fertility so low that taxes and other capital and production charges added to reasonable transportation rates bring the cost of production above that incurred in sections closer to the consumer, an economic waste is involved which is bound to be eliminated by more intensive cultivation of eastern lands, and the direct result of this process will be to depress still lower the price of meats and grains from the West. It follows that it is the freight rate and not the interest rate which concerns the farmer in sections far removed from consuming centers. Naturally, the first impulse of the farmer thus located is to denounce the railroads and demand a reduction of rates that will enable him to hold his customers; and the all-important question is, How can this be

done in a way that will be of permanent benefit? I have not heard the voice of any member of the farm bloc demanding reductions in the wages of the railroad employees or of the men engaged in the manufacture of railway equipment or in the mining of coal. For the sake of the argument, let us assume that any material reduction of wages is out of the question for unmentionable reasons. We must look in some other direction, then, for our remedy. It has been persistently urged by the agricultural bloc that if the water were squeezed out of the capital of the railroads and the 6 per cent guaranty removed the desired end might be accomplished. In the first place there is no guaranty of 6 per cent. The Interstate Commerce Commission is authorized to permit the imposition of rates that will return 6 per cent for dividends and other specified purposes, but the Interstate Commerce Commission has not done this and will not do it.

Mr. LENROOT. Mr. President, may I call attention to the fact that that direction ceased on the 1st of March last?

Mr. McLEAN. Yes; that is true. In the second place unless the roads under private management are permitted to earn a reasonable profit for their owners, provided always that they can earn it with reasonable charges, a gross injustice will be done to the owners, an injustice offensive to every sane notion of right. Moreover, such a proposal if sustained would render permanent, adequate, and safe transportation systems impossible for the simple reason that investors will not put their money into railroads for the sole and single purpose of losing it. But for the possibility of unusual profits the transportation facilities of the West would still be limited to buffalo trails and corduroy roads. How then can we expect that the certainty of unusual losses will do more than encourage a return to the anteroad days? If lower freight rates are to be brought about by lower costs in construction, maintenance, and management the intelligent farmer will insist that the roads be left in the hands of those who can and will make good money for themselves by the invention and application of labor and cost saving devices and methods. Once the farmer conceives that the remedy for his ills lies in conceding to other men engaged in other activities the same degree of economic liberty that he claims for himself he can be accorded reasonable freight rates. If reasonable rates will not permit him to sell his goods at a profit he must look for help to some other plan than the destruction of the credit of the railroads.

Mr. President, in these scattered general observations I have tried briefly to call attention to some of the things that Congress has already done for the farmers, some of the things it may wisely do, and some of the things that Congress can not do, in my opinion, and which, if attempted, will not only discredit those immediately responsible but result in incalculable harm to the farmers themselves. I have called attention to the ease with which credit-distributing instrumentalities and the officials engaged in operating them may be brought into disrepute by honest and well intentioned men when prices are too high to suit the consumer or too low to suit the producer. I could amplify at great length the underlying principles at which I have merely hinted and which ultimately will govern the costs of production and transportation as well as the prices of foods and farm products, regardless of legislative action. Admitting, as I readily do, that the farmers need and should have additional facilities in the extension of what are denominated intermediate credits, I am very confident that this can best be done in ways that will encourage the farmer to help himself. In other words, I think our legislation should be framed with the purpose and the hope that it will enable the farmers to find in their own initiative and self-reliance a way to protect themselves and their markets with a minimum of interference on the part of Congress. It is with this thought in mind that I heartily favor the organization of cooperative marketing associations and the extension to these associations of necessary and reasonable credits at normal rates, as provided in the pending bill.

I shall not oppose the creation of new governmental credit-distributing agencies provided in the Lenroot bill, but I believe that they would be entirely unnecessary if the banks of the country already in existence would join the Federal reserve system and use their augmented lending power for the purpose of building up the communities which they were organized to accommodate. Such a course, in my opinion, would bring increased deposits to country banks and enable them to meet every legitimate demand. I believe that the plan embodied in the pending bill which extends the life of the War Finance Corporation for another year, is by far the wisest and will prove to be the most efficient and economical method of all. If the farmers of the country insist upon taking any portion of the capital which they require out of the Public

Treasury as a fixed and permanent and direct subsidy, it will not be long before similar demands will be made by other classes and interests of equal force and momentum, if not of equal merit.

I think the American people as a whole will justify our effort to carry the farmer by the war crisis, even to the extent of putting the credit of the Government at his command temporarily.

I hope, however, that we may give the farmer an opportunity to employ sound and safe and, above all, the most economical method of securing the largest possible share of his own dollar before we invite him to try experiments in paternalism that can have but one result. It has been said that the average man learns from his individual personal experience only, but that the wise man learns from the experience of others. If the American farmer would acquire wisdom from the experience of others, let him study the fate of his neighbors in Canada, where there is a branch bank at every crossroad. Let him inquire into the cause of the present exodus of Canadian farmers to the United States, and he will be fully satisfied, I think, that what the American farmer needs is a larger market and not a larger mortgage. If he will carefully study the causes of crises and depressions he will learn that what he needs today is an increase in the number and purchasing power of his customers rather than an increase in the number of his promissory notes; and the farmers of the West will learn that their prosperity will lie in the reduction of the cost of reaching their customers rather than in the reduction of the rate of interest they may be called upon to pay for borrowed money. Europe, including Russia, can easily produce a surplus of foods and undoubtedly will produce such a surplus in the near future. With scientific farming there is not a State in the Union that can not feed her population. A one-crop or a one-product State, whether it be wheat or cotton or clocks or jackknives, must expect trouble when the transportation cost gives the advantage to a competitor nearer the point of consumption. The struggle of the great West as she exhausts the fertility of her soil will be precisely similar to the struggle that faced the East 75 years ago, when the virgin soil of the West rendered it impossible for the farmers of the East to compete in the production of grains and meats. Instead of bringing under cultivation more acres at vast expense for the production of foods that can not be sold for enough to pay reasonable freight rates to consuming points, the West must diversify her interests and industries and develop her resources along other lines than agriculture; and in this endeavor she should bear in mind that irrigation and drainage projects which render her independent of uncertainties in rainfall will at the same time cause the abandonment of those semiarid sections where irrigation is impossible. Let us see to it that the farmer is put in a position where he can borrow money at reasonable rates for loans that are justified by a wise and comprehensive view of the future. Credits that will bring immediate and rich rewards to contractors and land speculators without regard to the possibility of profitable and permanent markets will do the farmers of to-day more harm than good. In a word, with all its drawbacks and hardships, agriculture is the most satisfactory occupation in the world if it can be made to pay, but the question as to when, where, and how it can be made to pay is one that Congress can not answer, and a difference of 1 or even 2 per cent in the interest rate which a farmer pays for a long or short time loan will become a more or less important item in his balance sheet as he wisely or unwisely meets conditions and limitations which he himself can and must control if he expects to operate at a profit. Last, but not least, the farmer should never forget that in the general run of crises and depressions prices go down when interest rates go down and prices go up when interest rates go up. He can take his choice, but he can not reverse this order.

During Mr. McLEAN's speech,

Mr. JONES of Washington. Mr. President, the Senate will have to adjourn when we close the session to-day, and I ask unanimous consent that when the Senate adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON. Reserving the right to object, I would like to ask the Senator from Washington to state the circumstances which lead him to make the request.

Mr. JONES of Washington. On account of the death of a Member of the House from New Mexico, we expect to adjourn to-day, which will mean that two hours will have to be taken for the morning business to-morrow, and I would like to have the Senate start a little earlier than 12 o'clock.

Mr. ROBINSON. I suggest to the Senator that the Senate take the customary adjournment, although I do not care to

object to the request. It will be a physical impossibility to get a quorum here within half an hour or 40 minutes after we meet. Senators will not understand that the adjournment is to 11 o'clock, in all probability, and we will gain very little time.

Mr. JONES of Washington. I will not submit the request at the present time.

The VICE PRESIDENT. The request is withdrawn.

After Mr. McLEAN's speech,

Mr. HEFLIN. Mr. President, I am not going to discuss any of the proposed farm-credit measures at this time. I merely wish to say a word or two following the speech of the Senator from Connecticut [Mr. McLEAN].

The chairman of the Banking and Currency Committee, the Senator from Connecticut, has offered considerable advice to the farmers of the country. I remember, when we were trying to arouse the Senator's sympathy and to secure his cooperation when it was desired to reduce the rediscount rate which was burdening the farmers of the country, that the Senator one day took me to task for having introduced a joint resolution which had for its purpose a reduction of the rediscount rate. The Senator suggests now that we should be very careful about providing facilities through which the farmer may go more deeply into debt. Well, Mr. President, we expect to provide some facilities now by which the farmer may obtain money on his products, and the final show-down in the Senate will reveal the fact as to who are the friends of the farmer and who are not.

There is no excuse now for makeshift legislation; there is no excuse for legislation that will dodge and evade the issue. Subterfuges will not work if the friends of the farmers are alert and stand together with unity of purpose and in concerted action. We have seen deflation at the high tide when it swept down property values in the South and West and destroyed them by the billions of dollars.

When I stood here in my place for two years, week after week and month after month, pleading for some power to force the Federal Reserve Board to change its policy and to loosen up so that money could be obtained by the farmers, we were told that the Federal reserve system was not suited to the needs of agriculture. I never agreed to that suggestion, but we were so told. Now, when we come to submit that there must be some legislation enacted, which will meet the needs of the farmer in season and out of season, we are told that the Federal reserve system is adequate to take care of the needs of the farmer.

I hold that at the time drastic and destructive deflation was imposed upon us, farm products were eligible at the Federal reserve banks, and I state as a fact that such products were accepted at the banks and farmers did obtain money on their wheat and on their cotton and on their cattle prior to the time that the deflation order went out from Wall Street and was put into effect by one William P. G. Harding, who has now gone off the Federal Reserve Board for good, the Lord be praised. I see that he has given out a statement to the effect that he withdrew his name from the list of those presented for consideration by the President. I think it was high time that he did withdraw his name. He permitted his name to remain on the list long after I and others knew that he would not be appointed. I have known for weeks that he was not going to be reappointed, and a "wayfaring man" could have told that he never could have been confirmed if his name had been sent to the Senate, for there never was a time when more than two Democrats would have voted for his confirmation in the Senate, and there were several Republicans from the West who would not have voted for his confirmation. It was reported that the President would have appointed him if he had been assured that he would be confirmed. But he could not be confirmed.

To return to the issue, we were told that the Federal reserve system was not suited to the needs of agriculture and that we ought to provide a system that would be suitable. That argument was used to get away as best you could from a situation that was then confronting us. Now it is thought, I suppose, that that is far enough behind us for us to have forgotten it. Those who make that assumption are mistaken. They tell us that we do not need any legislation for the farmer, but that what the farmer needs is to be more industrious and enterprising. That is the kind of suggestions we have made to us now.

Mr. President, the farmer never was more enterprising and industrious than he was in the year 1920. He went to work early in the morning and labored until late in the afternoon. No one can charge that he was indolent, lazy, or neglectful of his duty in the field of agriculture. He made his crop; but when he took his products to the market place he was clubbed to his knees, and while he was unconscious his substance was taken from him and he was left in dazed condition upon the ground. He was nearly dead, while interests in Wall Street

made not only millions of dollars but hundreds of millions and even billions of dollars out of the farmers' misfortune in 1920. It is an awful calamity that we have seen visited upon the farmer. Mr. President, the cry comes up from the farmers everywhere, "Do something; do not let us be subjected to such robbery again."

The Senator from Connecticut recited some statistics informing us how much money was on deposit in certain big banks, and trying to prove by that that the matter of getting money was easy; that there was no necessity for providing other ways for obtaining money. What does it profit me if I am hungry and there are millions of pounds of food stored hard by if I can not get to the food? It does not do me any good; it might just as well be sunk in the ocean or burned up with the flames so far as appeasing my hunger is concerned. I do not get it; I have no access to it; and reciting statistics to prove that because there is money stored in certain banks the facilities to furnish the farmer with credit are adequate is utterly ridiculous.

That argument may suit some people. I am satisfied that I can assemble an audience that would be highly pleased with that argument. They are the fellows who bought Liberty bonds for eighty and eighty-five on the hundred when they were forced upon the market. They are the fellows who made money out of cotton beaten down from 40 cents to 10 cents a pound. They are the fellows who made money out of wheat driven from \$2.50 to 90 cents a bushel. They are the people who made money out of the sacrifice of half the mother herds of the West. They are the men who would rejoice and be glad to hear an argument like that.

They are really alarmed now with the fear that the farmer will get further into debt. Mr. President, that is almost an impossibility. He already has his farm mortgaged. He already has his live stock mortgaged. He is already forced to mortgage the growing crop. The Senator from Connecticut [Mr. McLEAN] comes now with his little palliative phrases, but they will not work. He suggests that "we had a time of distress here in 1920 and 1921, and the farmers and a good many bankers blamed it on the Federal Reserve Board." Well, Mr. President, if the Senator from Connecticut does not agree now that we did have the deflation and that it was brought about by a conspiracy born in Wall Street and carried out through the Federal Reserve Board, with Governor Harding at its head, he is away behind the procession.

Before the campaign waxed very old last fall, after I had exposed this matter here for months, and Republican Senators and Members of the House went home, and their people told them that the deflation drive had practically ruined the people, and that the Republican Party, which had kept this board in power, was being blamed for it, having promised it in their platform, and the President having promised it in his acceptance speech, they said: "Something is necessary to be done. You had better get the President to come out and say something against it," and the President issued a statement that those who brought on drastic deflation were responsible for this hard time that the farmers were having. So the Senator from Connecticut will do well to read the utterances of the Republican President.

I thought we had passed the stage where anybody denied that we had deflation. I thought that was an accepted fact. I am going to print, in this connection, excerpts from an article which appeared in the *Manufacturers' Record*, by Prof. Gustav Cassel, of Sweden, and Prof. Irving Fisher, of Yale, discussing the world business conditions. It is a scathing review by Professor Cassel of the policy of deflation which forced other countries to follow our destructive deflation campaign, while Professor Fisher attributes to the same cause the world's labor unrest and much of bolshevistic agitation.

Why, not only did they produce deflation in America but they started the work of deflation and forced other countries to follow in our wake, and caused financial distress the world over. The policy of deflation started by Wall Street and carried out by this man W. P. G. Harding, who is now going to be governor of the Federal Reserve Bank of Boston at a salary of \$25,000 a year, brought this business depression and financial distress not only to our country but to the world. Able financiers in the Old World have published articles and made speeches in which they state that the drastic deflation commenced in the United States was responsible for the financial ills that followed. I showed here in a speech once before that the deflationists wanted the War Finance Corporation suspended because it was furnishing money to foreign interests that were buying American goods and helping to furnish us markets for our products, and one of the arguments made by them was to the effect that aiding these foreigners to buy our goods helped to put prices up on products here at home, and they wanted

to prevent that. Therefore, they stopped giving aid to those who were buying our goods, in order to break down the market here at home. And they did it.

It was deflation with a vengeance, the most cruel thing that ever happened to a free people, and I want to serve notice again, as I have done time and time again, that they are never going to get away from the truth, which shows that it was cruel, destructive, deadly deflation, a crime against the American people. If they think they can educate us into the belief that it was a natural consequence following the war, they are reckoning without their host. I declare to you to-day that at the time this deflation was started there was no occasion for it under the sun. I assert to-day, without fear of successful contradiction, that at the time they deflated currency and credits over \$2,000,000,000 we could have put \$2,000,000,000 more into the field and saved the day without ever getting within reach of the gold reserve. Let them answer that if they can. If they can not answer that, they confess that they are guilty of the most diabolical crime ever perpetrated by a band of greedy money marauders against a free people.

We needed a man in the White House like Old Hickory Jackson. You know what he told old Biddle. Biddle threatened to bring on deflation and produce a panic, and Old Hickory said, "If you do, I will hang you," and Biddle did not do it. I would not permit any money lord in the land to tie up the circulating medium of my country, to lock up the money supply and paralyze the business of 100,000,000 people. The man that will do that ought to be hanged. Why not hang them? Fifteen thousand men killed themselves because of that deflation. Would it not be better to hang one or two and save the lives of 15,000 men and women and at the same time prevent the commission of a crime that outraged and robbed millions of people? Fifteen thousand people took their own lives during that dreadful and terrible period, and then some Senators stand up and say, "It is a natural consequence." I deny it. It was deliberately planned, made to order, and those who directed and made money out of it are criminals, simply criminals.

The Senator said the farmers and some bankers blame the Federal Reserve Board for the failure to get all the credit they wanted. Well, if you had some cotton and cattle and a farm and a horse and household of goods, and you had to mortgage all of them, and you had produced enough on your farm at fair prices to pay off your mortgage and save your farm and your home, and you were to go to that bank and say, "I want to get some funds," or "I want an extension of time," or "I want to renew my note," and the banker were to tell you that he could not do that, and you were to say, "Well, I have some Liberty bonds and I want to get some money on them," and the banker were to say, "We would be glad to do it, but the Federal Reserve Board has sent word down the line to us all that we must not loan on Liberty bonds," and you could not get a loan on Liberty bonds, and then you were to say, "I must hold my products until the price goes back to a point that will cover the cost of production," and they were to tell you that they could not assist you, that the Federal Reserve Board had ordered loans on farm products to cease, would you not feel like blaming it on somebody? If you did blame it on somebody, you certainly would want to blame it on those from whom that word came and that order had been issued; and the Federal Reserve Board was the party that did it. They were right in blaming it on them.

Did not Congressman SWING, of California, say in a speech in the House several weeks ago that he was in the bankers' convention in southern California and heard an agent of the Federal reserve bank tell the bankers not to loan any more money on farm products? Of course he did. That word was quietly sent out to the bankers all over the agricultural sections.

Mr. President, the time was, I regret to say, when Senators and Members of the House in the main would leave it to a Banking and Currency Committee to get up information about matters that pertained to the banking business of the country; and when matters of that sort came in, they relied mainly upon those on that committee to discuss them, and they followed their suggestions. I found, however, by an experience of two years in this body that there were men on this Banking and Currency Committee whom I was not willing to follow; men who even defended deflation. I do not mean by that to say that they did not want to do what they considered was the right thing, but their environment was such that they did not know how to consider these problems from the right standpoint. Why, I thought while the Senator from Connecticut [Mr. McLEAN] was reading his speech that I should like to hear him make that speech to the farmers out in Iowa or out in some other Western State. I should like to hear him deliver it in the State of Texas or

in my State of Alabama, where people know that contrary to the thing he was saying was the fact as it applied to those people down there, and yet I suppose he thinks he is right about it. That may be the New England idea, but it is not the idea of the great agricultural section of the country; and if the agricultural people have to rely upon such for relief the situation, I fear, is pretty gloomy. But we are not going to do that. We are going to undertake to amend the so-called farm credits bill as reported. That is what we should do.

Mr. President, I am anxious that we shall not pass a bill and call it a farm credit bill that is not worth the paper that it is written on. If we are going to legislate for the farmer, let us do it. If we are not, let us tell him so.

The Senator from Connecticut tried to frighten us by saying that if we had not put some sort of a check on inflation we would have been like Russia or Germany. Mr. President, you can not deceive the American people with anything like that; it can not be done. We know that with the resources of this, the richest country in all the world, no such condition as obtains in Russia could obtain here in a quarter of a century.

I want to say to the Senator from Connecticut regarding Germany—and I want him to challenge the statement and answer it if he can—that I assert to-day that the farmers of Germany are more nearly out of debt than the farmers of the United States and that a larger proportion of them own their farms.

Let him challenge that statement. The individual farmer in Germany, while inflation was on at the high tide, was permitted to pay his debts with the inflated mark, and he wiped out his indebtedness and is free of debt to-day. If Germany should burn every mark that is printed and start on another basis, the farmer would be out of debt and ready to start again under the new order. Can you say that for America? What did you do in the United States? When cotton went up to 40 cents a pound and the farmer could get \$200 a bale, you waited until he bought fertilizer from the Fertilizer Trust at high prices, you waited until he bought agricultural implements from the Implement Trust at high prices, you waited until he bought auto trucks and other things and went into debt up to the neck, and after he got in on that basis of 40-cent cotton you struck him down just as the market opened and made him sell his cotton at 10 cents a pound to pay debts incurred on the 40-cent basis.

That is what you did in the United States under the reign of the Republican Party; and Germany, distracted Germany, permitted her farmers to pay off their mortgages and settle their debts with the inflated mark, and the individual German farmer is freer of debt to-day than the farmer in the United States of America. I submit to the Senate and to fair-minded people everywhere that if they permitted the farmers of the South and West to go into debt for that year on the 40-cent basis, common honesty required that they permit them to go that year through on that arrangement and settle those debts on that basis.

I quote Mr. Lincoln when he said, "Any change in the circulating medium under which a debt is contracted before the debt can be paid is a crime." I commend that quotation to the Senator from Connecticut.

The Senator said the printing press is still raining paper money in Russia and Germany. Such a statement does not answer the charge that deflation precipitate and destructive produced distress and suffering among four-fifths of the population of the United States.

The Senator said that some of the Senators had promised 50-cent cotton. I have heard that before. I have never seen the Senator who promised it. Some of the newspapers, inspired by the hirelings of Wall Street, said that I promised 50-cent cotton. I did not do it. I said I thought cotton would go to 50 cents. It did go to 47 cents. I said I thought it would go to 50 cents, and I can prove by any fair-minded man that if the farmer could have borrowed money on his cotton in 1920 it would have gone to 50 cents, and ought to have gone to 50 cents, because he paid high prices for everything he bought; and not only that, the American people paid for finished cotton goods, after cotton went down to 10 cents a pound, the same as they paid for them when cotton was 40 cents a pound.

I called attention on the floor of the Senate to the fact that when cotton was down to 11 cents I bought a cotton collar in the city of Washington for 25 cents, and that one bale of cotton, bringing fifty or sixty dollars, made into cotton collars like that, would sell for about \$1,100. The consumer did not get the benefit of that. Who got it? Certain New England spinners and speculators got the money. How did the speculators get it? They went on the exchange and borrowed money from the Federal reserve banking institution

in New York at 6 per cent to sell cotton at 40 cents, and beat the price down to 30, and when it went to 30 made \$50 a bale on every bale they sold; if they held it until it went to 20, they made \$100 on every bale. If they held it until it went to 10, they made \$150 on every bale. They made big money speculating in cotton. What was being done to the cotton farmer? I asked William P. G. Harding, before the Committee on Agriculture and Forestry, in the Senate Office Building, in December, 1920, "Governor Harding, do you not know that some bankers in Alabama complained to you about not being able to get money on cotton in October, 1920?"

He said, "I remember when some bankers at Birmingham tried to get me to let them borrow money to hold cotton until it went back to 40 cents, and I would not do it."

Mr. President, if he had permitted them to borrow money they could have held it, and it would have gone back to 40 cents. What could have kept it from going back to that price? It was then down to about 35 cents, and just had to go up 5 cents to get back to 40 cents. Of course it would have gone back. Then what would have happened? Those farmers would have paid off their debts, and at Christmas, 1920, the board could have said to our people, "We are going to start in on the New Year with a new order of things. We are going to bring about in a very orderly way, slowly and very gradually, deflation so that nobody will be seriously hurt. We will let you get your 40 cents for cotton this year and let you get good prices for wheat and cattle and wipe out your indebtedness and start out in the New Year with your debts all paid."

That would have been honest. But they did not do that for the farmer, merchant, and banker in the agricultural sections, but they did tell certain big rich men and financiers that they were going to deflate, and gave them notice 60 and 90 days in advance, and a man of considerable means out in the State of my good friend from Arizona [Mr. ASHURST] told him he was going to convert his property into money and get in the market so that he could make a fortune, and said he knew what he was talking about; that the Republicans were going to deflate.

I repeat, the farmer and other people in the agricultural sections got no notice. The first notice they had was when they were fired upon by the big guns of drastic deflation.

Mr. President, another thought on the line that certain statesmen promised 50-cent cotton. At the same time this drive of which I am speaking was going on, beating the price of cotton down and down, the president of the American Cotton Association, Mr. Wannamaker, came to Washington, went before the board, and begged Governor Harding to change his policy. Both Senators from North Carolina went with delegations and appealed to him to change his policy. Other Senators from the South went. He even turned his back and told one of them that he had heard enough; he was impatient about it. Mr. President, at that same time one of the spinners was quoted in the New York Commercial as saying:

We are willing to pay 30 cents for cotton. We want the price stabilized.

I submit that if the spinner was willing to pay 30 cents, which price would just about cover the cost of production and get a farmer out of debt, would it not have been right and fair and just to permit the farmer to have the money to make the price stay up to what the spinner suggested he was willing to pay and enable him to get out of debt, to save his home, to save his farm, and to keep hundreds from blowing out their brains? But we could not get it.

I know that cotton would have gone back to 40 cents, and gone higher than that, if the farmer could have gotten money so as to hold it. What was to keep it from going higher? That year's crop was consumed, just as every other year's crop had been. If he had been able to hold it during that time the price would have gone up, and the farmer would have come out of that storm and death-spreading cyclone out of debt and would have been able to start in the year 1921 debt free under quite different conditions.

I had a letter from one of the commissioners of agriculture in a cotton-growing State the other day, who told me that unless the farmer could get 30 or 35 cents for cotton he did not know how many years it would take to pay the debts unloaded on him by deflation in 1920 and 1921. This is a serious thing with us, Senators.

The clever Senator from Connecticut does not know a thing on earth about conditions in my section of the country. His speech shows that. He does not know anything on earth about conditions in the grain-growing and cattle-producing West. His speech shows it. But his speech gives the situation exactly as it is in the East. There has not been any trouble about them getting money. They got it all during deflation at

6 per cent flat, when the farmers of the other sections were paying 15, 20, and higher, and one little bank in my State paid 87½ per cent. That is the highest interest rate ever charged by any banking institution since the morning stars sang together. Then they say deflation had to come following the war. It was a premeditated crime, black as midnight. That is what it was.

I have seen some of the articles and some of the literature these smooth artists in Wall Street are sending out. They even send them to us, and tell us to be very cautious about what sort of a farm credits bill we get out; that we should be exceedingly careful.

Mr. President, that is what I am speaking for this afternoon—to give a few suggestions to some of my friends who were not in the Chamber to hear the speech of the Senator from Connecticut, that we must be exceedingly careful not to take something that may sound well when there is no substance in it.

The Senator talks about the farmer taking his chance and taking his medicine. There was passed through a Republican Congress a progressive interest rate, and the board was given authority to put it into effect, and they put it into effect nowhere in the East but put it into effect in the South and West. That was the question I wanted to ask the Senator from Connecticut when he said he preferred to go along and finish his prepared speech. I was going to ask him why it was that the progressive interest rate was applied to my State and the other Southern States, and the Western States in the agricultural and cattle sections, and not applied at all in his State and New York or any other Eastern State. Certainly they ought to be grateful to the Federal Reserve Board. If it had so ordered deflation as to take care of my State and I had not known about how it affected other States, I might have been willing to sing its praises. But they slaughtered business in my State, and slaughtered it in all the other States of the South and West, and I do not propose to sit silent and permit the friends of deflation to confuse the situation if I can help it.

The Senator suggests that if we set up a separate board, that that board will try to undertake to tell the farmer how many hens he can set for hatching purposes, how many eggs he can put under a hen, and how many pigs he will have on his premises. How ridiculous and how solicitous and sympathetic is the Senator from Connecticut for the farmer. It is all so sudden!

The idea of us wanting to create a board that would even think of trying to tell a farmer about those minute details. It never was contemplated by anybody, and no such suggestion as that will drive anybody away from the fixed purpose of passing real legislation in the interest of the farmer. I am for a sound banking system all the time and we want the farmer to have access to such an institution at all times. That is about all I desire to say.

I ask to have printed in 8-point type at this point excerpts from the article to which I have referred.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Manufacturers' Record, January 4, 1923.]

PROF. GUSTAV CASSEL, OF SWEDEN, AND PROF. IRVING FISHER, OF YALE, DISCUSS WORLD'S BUSINESS CONDITIONS—A SCATHING REVIEW BY PROFESSOR CASSEL OF THE POLICY OF DEFLATION WHICH FORCED OTHER COUNTRIES TO FOLLOW OUR DESTRUCTIVE DEFLATION CAMPAIGN, WHILE PROFESSOR FISHER ATTRIBUTES TO SAME CAUSE WORLD'S LABOR UNREST AND MUCH OF BOLSHEVISTIC AGITATION.

Gustav Cassel, recognized as probably the foremost economist of Europe, and by reason of that fact twice asked by the League of Nations to make a report on the world's financial conditions, has recently issued a 287-page book entitled "Money and Foreign Exchange After 1914."

In this work Professor Cassel discusses from every standpoint the world's monetary problems. It is one of the illuminating publications of the age, and by reason of the author's preeminent standing will command universal attention in this country and in Europe among all thinking people who are anxiously seeking the way out of the world's business and financial chaos, and a safer basis on which to carry on world trade.

It should be a matter of profound interest to the readers of the Manufacturers' Record that every position which it has taken since 1917 on the certainty that drastic deflation of credits would bring on world business chaos has been overwhelmingly sustained by this work of Professor Cassel.

* * * * *

From the closing chapters of his book, which deal more especially with the operations of the Federal reserve management and the destructive power of deflation to break down all business in this country and throughout the world, we

have taken a few striking sentences here and there. Professor Cassel reminds his readers of his warnings against deflation and he clearly shows by the official records of the Federal Reserve Board that it carried on a definite campaign of deflation for the purpose of breaking down prices. At one point he says: "The Federal Reserve Board entirely overlooked the one factor which in the whole of this great complicated process was itself the principal driving force—the board's own deflationist policy; or perhaps, let us say, rather the restrictive bank policy which the board pursued and which in itself inevitably implied deflation." What a charge to bring against the management of the financial system of this country in that it entirely overlooked the vital factor which meant either national and international poverty or national and international prosperity!

Referring to this deflation policy of the Federal reserve system, Professor Cassel says:

"The general depression at present prevailing throughout the world is very largely a result of this process of deflation."

That is a point which the Manufacturers' Record has over and over stated since it began its fight against what it saw was the inevitable collapse of the world's business if the deflation policy of the Federal Reserve Board and the international bankers, which seemed to have guided its operations, was carried out.

"The deflationist policy of the United States can scarcely be said to have served any wise purpose" is the way in which Professor Cassel once more states a great truth and in vivid language.

In this connection it is worth while to remind our readers that Prof. Irving Fisher, professor of political economy in Yale University, in a statement widely published two weeks ago, emphasized the great danger to the world of the deflation policy to which he attributes the turmoil of labor interests in this and other countries, and in which he points out his agreement with Professor Cassel as to the disastrous results of deflation. Professor Fisher has long been seeking to impress upon the people of this country the danger of a fluctuating dollar, for no intelligent man any longer believes that the supposed "yardstick" by which values are measured, so long attributed to gold, has any existence in reality.

Whatever may be the way out of present conditions and the way to lead to the stability of values and of business, the question at issue is one of such tremendous moment, one upon which civilization itself may depend, that it demands an unbiased study on the part of every thoughtful man who realizes the magnitude of these problems.

Professor Fisher's statement is as follows:

"A recent circular sent to bankers and employers expresses deep anxiety over the Fascisti victory in Italy and the gains of the labor party in England and elsewhere. It predicts that the same idea of the political domination of labor will soon appear more explicitly in America and will threaten the existing order.

"I believe that bankers and employers, not to say the rest of us, have cause for anxiety. But what the circular overlooks is that, as Roosevelt so often warned us, the only real escape from the danger of an overturn lies in redressing real grievances.

"What is needed is to interpret the recent labor unrest as symptoms of social diseases needing to be cured.

"There are several such social diseases which I could name, and probably several others which would be revealed by a searching investigation. But here I shall point out only one—probably by far the most important. This is the unstable money growing out of the war.

"But what has unstable money to do with recent labor unrest? We do not remember seeing any mention of it in the newspapers. Yet to find it we do not have to seek far. We can trace our way back in three simple steps from the recent political demonstration of labor discontent to unstable money as a prime cause.

"The first step brings us to unemployment as the grievance which, more than any other, caused labor to make its recent political commotion. The English labor pre-election manifests said, among other things:

"Unemployment and low wages, caused largely by the policy of the Liberal and Unionist government, have brought distress to the bulk of the working people."

"Since the election in which labor came off second best, the unemployed have been demanding a hearing with Bonar Law.

"In other words, labor in England held the Lloyd-George government responsible for the vast unemployment during the last two years and will hold the Bonar Law government responsible for putting an end to unemployment.

"The opportunity to work is likewise the demand of the Fascisti in Italy. In America also the backswing of the last election is largely because of the depression of trade and unemployment.

"Next we trace back this depression of trade and unemployment, whether in America, England, Italy, or elsewhere, to the fall of prices in 1920 and 1921.

"Always and inevitably a great fall of prices kills enterprise, closes factories, discourages farmers, and throws men out of work.

"Going still further back, we may trace the fall of prices to the deflation of credit and money beginning early in 1920. As Professor Cassel, of Sweden, shows so clearly in his *Money and Foreign Exchange After 1914*, just published, and as every other economist knows so well, this restriction of credit which bankers in so many countries began in 1920 was the main reason for the fall of prices which bankrupted thousands of farmers and business men and made millions of workers idle.

"And there you have it! The chain of causes: Deflation, fall of prices, unemployment, producing political vindictiveness.

"If those now so anxious over labor unrest, for fear their own pocketbooks will be injured, once realized that there are those real grievances from inflation and deflation (which are what 'unstable money' means) they would do something else than wring their hands in bewildered anxiety.

"As stated at the outset, of course there are other grievances. But it is doubtful if any are so important as those produced by inflation and deflation. Lord D'Abernon, now British ambassador to Germany and one of the masters of this subject, once said that he believed 90 per cent of the world's Bolshevism came from unstable money. That is a higher percentage than I would ascribe, but I believe over 50 per cent would be a conservative estimate.

"And the worst of it is that neither labor nor capital has yet clearly seen the situation. Labor is therefore now on the rampage and is quite likely to hang the wrong man to the lamp-post, while capital does nothing except to demand that nothing be done. When both sides demand and obtain stable money over half of their difficulties will disappear."

PROFESSOR CASSEL'S REVIEW OF WORLD FINANCIAL CONDITIONS.

From Professor Cassel's book, *Money and Foreign Exchange After 1914*, by Gustav Cassel, published by Macmillan Co., New York, we take the following extracts, picked here and there, without continuity, but all bearing on the effect of the Federal Reserve Board's deflation campaign:

"* * * Monetary deflation must, in the long run, tend to depress industry, since a steady and persistent fall in prices necessarily diminishes and discourages trading activity. If trade depression becomes sufficiently acute, monetary deflation will sooner or later be impossible, because of the Government's inability to collect sufficient from the profits of industry to meet all outgoings. If the policy is persisted in after the time for it has passed, a grave danger arises, for the payment of taxation will then involve trespassing upon the capital, and this, by retarding trade recovery and reducing the Nation's productive capacity, will accentuate the very evils it is desired to cure."—(From *Monthly Review of Barclay's Bank*, December, 1921, quoted by Cassel with approval.)

"More than four years after the appointment of the committee (Cunliffe committee appointed in 1918 to examine different problems likely to arise during reconstruction in England) their demand—the restoration of the gold standard—is still unsatisfied, whereas the depression which could be foreseen as a consequence of the deflation policy has set in, and has shown itself to be of an extremely serious character. * * *

"In an article in the *Economic Journal* for March, 1920 ('Further Observations on the World's Monetary Problems'), I expressed the opinion that a process which aimed at reducing prices to their former level would probably ultimately prove still more disastrous than the process of inflation had been. The prospect of a long period of falling prices would kill all enterprise and hamper the process of reconstruction. Further, an increase in the value of gold would for many countries aggravate the difficulties of reverting to a gold standard and very seriously increase their already overwhelming financial burdens. * * *

"In opposition to the then prevailing idea that deflation could be attained by such increase in production as would bring it on a level with the provisions of means of payment—i. e., without any reduction of already existing means of payment—I showed that this was bound to be a very slow process. With a normal rate of progress of, let us say, 3 per cent per

annum, it would take 31 years to overcome an inflation indicated by the index number 250. * * *

"In my first memorandum laid before the International Finance Conference in Brussels I uttered a warning against any attempt at further deflation. * * *

"During 1920 there was carried out in the United States a process of deflation which eventually resulted in a violent fall in the general price level, and consequently a corresponding rise in the purchasing power of the dollar, and thereby also in that of gold. This process having severely complicated the exchange problem for other countries, it has naturally attracted lively attention throughout the world. Now, afterwards, people in the United States have wanted to make out that the fall in prices was spontaneous and that no deflationist policy—that is, a process aiming at raising the internal value of the dollar—had ever been deliberately pursued.

"Bank administration in the United States, as in so many other countries, has worked on the idea that any restriction found to be necessary ought to be confined to credits 'for speculative purposes,' and would not need to affect so-called 'legitimate' credits. In reality no such distinction is possible. Stern measures designed to reduce speculative credit are almost bound to react in a thousand different ways on the whole of the industrial life of a country and to reduce the total volume of credit. Still more impossible is it to place an effective restriction upon all credit for speculative purposes without thereby forcing on a general fall in prices. The scheme for suppressing the granting of credit for purposes of speculation must, therefore, in itself have already involved a scheme for reducing the level of prices. That this object formed the gist of the Federal reserve banks' restrictive-credit policy seems only natural; at any rate this policy must have appeared to the mind of the public as a logical continuation of the Government's vigorous campaign for reducing the level of prices. * * *

"In its number dated the 1st of October, 1919, the Federal Reserve Bulletin discusses the problem of the high cost of living, and refers to the measures taken by the Government against the rise in prices. In direct reference to this subject the journal says: 'The problem of reducing the cost of living is, however, mainly that of restoring the purchasing power of the dollar. The dollar has lost purchasing power because the expansion of credit, under the necessities of war financing, proceeded at a rate more rapid than the production and saving of goods. The return to a sound economic condition, and one which will involve as little further disturbance of normal economic relationships as possible, will be a reversal of the process which has brought the country to its present pass. * * * And what is more, the Journal adds: 'The cost of the living problem on its financial side is misconceived, unless it is conceived as the problem of restoring the value of the dollar. To accept the depreciation worked in the dollar by war conditions, and to standardize the dollar of the future on this basis, would be to ratify the inflation wrought by the war and the injustices it produced.' It can hardly be denied that a very definite program of deflation is hereby proposed. * * *

"It is further stated in this number (July, 1920, number of Bulletin) that 'beginning with November, 1919, effort was definitely made to control the reserve position through the application of higher rates of discount at Federal reserve banks,' and that 'the operation of credit control through higher discount rates has had a marked success.' * * *

"The board had repeatedly exhorted the Federal reserve banks to endeavor to induce the member banks to avoid an undue expansion of loans, and to keep the volume of their outstanding credits within reasonable limits. On the 17th of May the chairman of the board had declared, among other things, that 'unnecessary and habitual borrowings should be discouraged, and the liquidation of long-standing, nonessential loans should proceed. Banks were cautioned, however, that drastic steps should be avoided, and that the method adopted should be orderly, and that liquidation will result in permanent improvement, while too rapid deflation would be injurious and should be avoided.

"Here, as it seems to me, is as obvious a program of deflation as can be found anywhere. Efforts are, of course, made to retain as long as possible the idea that a deflation can be effected gradually, and without hampering productive activities. But this is an illusion which is, so to speak, tacked on to the deflationist policy and has no influence whatever upon its actual consequences. * * *

"It must, therefore, have been part of the Federal Reserve Board's policy to bring down the general price level. It is true that after the fall in prices has already set in the board

time after time expresses the belief that the bottom has been reached. But in this it is mistaken. The consequences of its restrictive policy are more far-reaching than the board imagines. * * *

"Now, afterwards, whenever an attempt has been made to defend the Federal Reserve Board against the charge of having through a deliberate deflationist policy forced on the fall in prices, with all its appalling consequences, it has been particularly pointed out that the fall in prices took place before the limitation of credits, and that therefore the restrictive bank policy could not have caused the fall in prices. This argument is absolutely untenable. * * * By their energetic efforts at curtailing credits, and especially by their high discount rates, the Federal reserve banks have brought about an extensive and sometimes precipitate realization of accumulated stocks, have severely cut down the demand for capital of all kinds of new construction and improvements, and have thus put a very effective check on enterprise.

"A policy of this kind always proves the surest means of bringing down the price level. The reduced creation of real capital causes less demand for labor and a reduction in wages. With increasing unemployment and falling wages there follows a reduction in purchasing power. Just as the board expected, the current savings which accumulated during that period have been utilized for canceling a part of the superfluous means of payment. By its restriction of credit the board has convinced the public of its serious intentions with regard to the deflationist program, and the public have quite consistently refrained from buying, and that to such an extent that people have talked of a general purchasing strike. Not until the public had worn out their clothes could they be induced out of sheer necessity once more to start buying textiles and boots, which brought about some improvement in the respective markets. Not until the lack of housing accommodations became overwhelming and the prices of materials and labor had fallen considerably did building operations commence gradually to assume more proportions. People are still evidently reluctant to effect purchases in several lines of business, because they either hope or fear for a still further fall in prices. The common purchasing strike, both on the part of business enterprises and consumers, may perhaps be regarded as the immediate cause of the fall in prices. But this purchasing strike has been a direct and natural consequence of the restrictive policy adopted by the bank administration. * * *

"The subsequent process of deflation can also be looked upon as an indication of the effectiveness of the centralized banking system, but in this case the effectiveness has manifestly proved disastrous to the country. The mere effectiveness of an organization is, therefore, not everything. In order successfully to utilize such effectiveness, an administration is required to be capable of fulfilling the most exacting claims; indeed, the greater the effectiveness of the organization the higher will be the claims on the administration. * * *

"However, it is not intended here to lay any stress upon showing up that an error of judgment has been committed, but rather upon pointing out the cause of this error of judgment. And that is quite obvious.

"The Federal Reserve Board entirely overlooked the one factor which in the whole of this great complicated process was itself the principal driving force—the boards' own deflationist policy, or perhaps let us say, rather the restrictive bank policy which the board pursued, and which in itself inevitably implied deflation. I am well aware that both the board and its supporters deny that a deliberate deflation was ever advanced, but what can not be denied is that from the spring of 1920 to the spring of 1921 there took place a very considerable rise in the internal value of the dollar. * * * Just as during the period of inflation the central banks of the world would never openly admit that an internal depreciation of money was taking place, so during the period of deflation they have never been willing fully to acknowledge, at least after the harmful effects of deflation began to appear, that deflation was a monetary phenomenon and involved a fresh change in the monetary unit. With such a standard it was inevitable that the situation should be misjudged while the deflation process was actually being experienced. This was, however, from a practical point of view, very serious, not to say dangerous, for it caused the American central bank management to maintain their restrictive bank policy, even after it had failed to serve any rational purpose and could only encourage a further altogether aimless increase in the internal value of the dollar.

"Other countries who would not willingly see their currency further depreciated in its relation to the dollar had no option but to pursue the same deflationist policy. * * *

"So long as the process of deflation went on, new 'frozen credits' were constantly being created in this way, and the effort to preserve the security and liquidity of the banks seemed ever to demand a continuation of the policy of restriction.

"The fall in prices in America produced a similar effect on the economic conditions in those countries which were buyers of American export commodities. By the time the export commodities had arrived at, let us say, South American ports the prices had already fallen so low that the buyers could not see their way to take the goods at the contracted prices without thereby exposing themselves to severe losses. * * *

"The fall of prices in the United States has thus, in actual fact, failed to benefit exports. The world has here an example from which it should be able to learn something in the way of correcting a very common delusion. In every country during the period of deflation the doctrine was taught that to bring down the price level and to produce more cheaply were the two essential conditions, if a country wished to retain its share of the world market. There can be no doubt that this idea was one of the most potent factors which accelerated the process of deflation. We know that this idea is false. * * *

"This analysis is important, not only because it throws light on what has actually taken place during the period of deflation, but also because it makes it possible to deal with false ideas regarding the nature of the deflationist process. The idea is indeed quite widely entertained that the fall in prices which has taken place since the middle of 1920 has not the character of a deflation—that is to say, has not been the consequence of a restrictive credit policy. This opinion is generally based on the fact that the diminution in the provision of means of payment occurred later than the fall in prices. That this argument is altogether inadequate is obvious from what has just been said. Banks can easily adopt a restrictive credit policy without succeeding in effecting thereby any immediate reduction in the total amount of their credits. * * *

"Those who believe themselves capable of dealing out justice through raising the value of money must further bear in mind that the unprecedented losses caused by the deflationist process may easily render many claims absolutely worthless, and that the creditor then gets but little satisfaction out of the value of the monetary unit on which his claim rests having been improved. If any mention is to be made of justice, then some consideration should also be paid to all the heavily engaged business men and other debtors who are being ruined by the process of deflation, as well as to the masses of unemployed who have been innocent sufferers under this process. * * *

"The depressing influence which a continued reduction of the price level must be expected to exercise over enterprise has not failed to show itself. Dealers have to the utmost possible extent refrained from activity in anticipation of prices reaching their bottom level, and consumers have likewise postponed their purchases as long as possible in the expectation of being able to buy at cheaper prices. Unemployment at an appalling scale has been the result. * * * Each country has suffered not only through its own deflationist policy, but also through that of other countries. As the deflationist policy has naturally to a very great extent paralyzed such forms of production as are required for constructional and building purposes, Swedish industry in particular, which happens to be very largely based on supplying material for such purposes to other countries, has been most seriously affected by the depression caused in those countries by the deflationist policy. * * *

"As was predicted, the process of deflation has proved extremely harmful. The general depression at present prevailing throughout the world is very largely a result of this process of deflation. The unfortunate part is that it can never be determined how far deflation may be responsible for this depression. The mad policy of militarism that has been pursued ever since the armistice and is the cause of true peace not having even yet been attained, is in itself quite sufficient to destroy the world's economic life and to bring ruin and unemployment upon all the nations of the world. But the deflationist policy alone would have been sufficient to produce much the same effect. * * *

"A particularly harmful result of the process of deflation is that the burden of the public debts becomes heavier than the community can bear. When these debts have assumed absolutely fantastic proportions it is bound to be extremely dangerous to attempt a measure tending to make the unit in which the figures are calculated larger. But this is exactly what has been done through deflation. It is probable that some of those countries which by 1920 had already become so overburdened with debts that they had reached the limit of their financial capacity have, through the process of deflation

which has gone on ever since, been reduced to a state of actual insolvency.

"As soon as a deflationist program has been laid down, and the means of carrying it through which we possess in the bank policy have been put into practice, a violent fall in prices is the inevitable result. * * *

"The deflationist policy of the United States can scarcely be said to have served any wise purpose. Under prevailing conditions, raising the value of the dollar could only cause a corresponding rise in the value of gold. Such a rise could not possibly be of any benefit to the United States, but for other countries, striving to raise their currencies in value in relation to gold, the rise in the value of gold simply meant, as has been shown in a previous chapter, that all their efforts and sacrifices were made in vain.

"All civilization represents one mighty effort of man to overcome difficulties instead of passively allowing himself to be carried away by them. At the present moment the future of civilization rests in no small degree upon this central will to conquer being able to assert itself in the sphere of money."

The VICE PRESIDENT. The Secretary will read the bill.

Mr. HEFLIN. Mr. President, I think we had better have a quorum. Several Senators who are absent want to be here to hear the bill read. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harris	McKinley	Sheppard
Ball	Harrison	McLean	Smoot
Bayard	Heflin	McNary	Sterling
Bursum	Hitchcock	Nelson	Sutherland
Calder	Johnson	New	Townsend
Cameron	Jones, N. Mex.	Nicholson	Underwood
Capper	Jones, Wash.	Norbeck	Wadsworth
Couzens	Kellogg	Norris	Warren
Curtis	Kendrick	Oddie	Watson
Ernst	Keyes	Overman	Weller
Fletcher	King	Pepper	Willis
George	Lenroot	Phipps	
Gerry	Lodge	Reed, Pa.	
Glass	McKellar	Robinson	

Mr. CURTIS. I wish to announce that the Senator from Washington [Mr. POINDEXTER] and the Senator from Maine [Mr. HALE] are absent on official business.

Mr. MCNARY. I was requested to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Iowa [Mr. BROOKHART] are engaged in a hearing before the Committee on Manufactures.

The PRESIDING OFFICER (Mr. PEPPER in the chair). Fifty-three Senators having answered to their names, a quorum is present. The Secretary will read the bill.

Mr. McLEAN. I ask unanimous consent to dispense with the formal reading of the bill and that the bill be read for amendments, committee amendments to be considered first.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CAPPER. Mr. President, it is not my purpose to discuss in detail the necessity of better credit facilities for the agricultural interests of the country and more particularly for the more orderly marketing of crops. I believe all are by this time well aware of the disastrous results that come from forcing upon the market the products of the soil through inability to obtain credit to carry those products until such time as the markets and transportation are no longer glutted by the great flow.

It is my firm conviction that unless credit relief is extended it will be found that the returning prosperity of which there is so much vaunting will be only a flash in the pan. If that is true, the proposed legislation is not for the farmers alone but for all the people.

While there are evidences that business is much recovered, I am justified in saying that the economic position of the great staple-crop farmers of the country is really no better than a year ago, even if not so agonizing as it was in the midst of readjustment and deflation. The farmers of the northeastern regions who are near to their markets and have not suffered from the oppressive transportation charges as western and southern farmers have, and are more favored in some other respects, are comparatively well off, though many of them also suffer from the present maladjustment between agriculture and other economic groups.

Mr. President, as a whole the farmer is still selling low and buying high. His product has nowhere near the purchasing power of the products of other industries as compared with the assumed normal of pre-war times, but even then he

suffered in the exchange of his products for the things he required. After making all possible allowance for the fact that agriculture has taken the brunt of readjustment, the truth is it has been going downhill for years.

This retrograde movement is to be attributed chiefly to the weak financial position of agriculture and its lack of business organization in the midst of a world of such organization. The one causes the other, and the farmer moves around in a vicious circle of helplessness. A start has been made in organization, but it is only a start, and it requires the stimulus of adequate financing to go far.

I know of nothing which will contribute more to the general welfare and prosperity than a well-financed agricultural industry which is on an equal marketing footing with the distributing agencies and will have a voice in fixing the prices of its product. At present the farmer buys at a price fixed by the seller and sells at a price fixed by the buyer. All he is asking is to be put in a position where he shall have something to say about the price of what he sells. If it is worth while to have an efficient and sound agricultural industry, it is worth while to do that much for him.

After he produces, the farmer becomes a merchant, but a merchant without the credit facilities of the middlemen and speculators with whom he deals. While they have unlimited funds with which to buy he has none with which to hold back from selling and to bargain on terms of equality. In fact, he sells not according to his judgment and the trend of the market but according to the dictates of pressing necessity or of the masters of such limited credit as he may have. Moreover, he pays more for his slender and precarious credit accommodation than the buyers do for their ample and dependable facilities.

Under existing rural personal credit facilities, the borrowing radius of the individual farmer is necessarily limited. He has no reliable method of drawing on the investment funds of the country for financing his operations as men in other activities have, but is dependent on local facilities of a limited nature. There are virtually no financial institutions that adequately meet the peculiar requirements of an industry that markets its products only once a year, and that sometimes—as in live-stock growing—requires three years to finish its product.

The War Finance Corporation has been very helpful the past year, but it is only an emergency agency. It has, however, demonstrated beyond a doubt that there is a great field for rural financing, and that it is one of legitimate and dependable banking. This does not mean subsidizing agriculture; it means only the use of public agencies to realize a beneficent purpose not otherwise obtainable. If the Government will provide credit channels, the farmers will ultimately pay all the costs thereof, just as they are now doing in the case of the Federal land banks, which are contributing much to solve the problem of rural investment capital in the shape of farm-mortgage loans.

Mr. President, the purpose of Senate bill 4280, introduced by me, is to establish under Federal supervision a national credit system for the agricultural and live-stock interests of the United States. It is designed to accomplish in the field of agricultural credit what the national banking system was designed to accomplish in the banking field.

The bill is analyzed very fully in the committee report, but before turning to a consideration of its detailed terms I desire to discuss in a more general way the purposes of the bill.

In the first place, we must not lose sight of the fact that there is now in existence, and has been for decades, an elaborate network of credit institutions throughout the United States. There are 8,150 national banks, all of which are required by law to be members of the Federal reserve system. There are approximately 22,000 State banks, of which approximately 1,600 are members of the Federal reserve system. There are in addition a large number of live-stock loan companies which make loans upon cattle and sheep. All of the live-stock loan companies and most of the banks are directly or indirectly carrying on at the present time the business of supplying credit to agriculture. It is not my purpose, nor is it, so far as I know, the purpose of any of the advocates of an improved system of rural credits, to supplant these existing institutions. They are scattered from one corner of the United States to another; they have in the aggregate vast financial resources; they have been operating for decades, and in some parts of the country for generations, and they know their business and the needs of the communities in which they are located. The purpose of this bill, and, indeed, of any sound system of agricultural credits, is to retain our existing financial machinery, to alter and improve it only in so far as it is not functioning properly, and to create new institutions only where it seems impossible to achieve the same results in any other way.

The bill, as is generally known by Senators, was drafted as the result of a series of conferences between Managing Director Eugene Meyer and counsel of the War Finance Corporation and representatives of the various agricultural interests. The National American Live Stock Association last August appointed a committee to consider what changes in existing law should be recommended to Congress by the association with respect to live-stock credits. This association, of which the Senator from Wyoming [Mr. KENDRICK] is a former president, is a federation of live-stock associations in 18 or 20 Western and Southwestern States, and I know of no body of men better able to express the needs and the desires of the live-stock breeding industry of the United States. This committee met in Washington and held a series of conferences with the managing director of the War Finance Corporation and its counsel. At these conferences a tentative draft of the live-stock sections of the bill now before the Senate was discussed clause by clause. Changes were suggested by the committee and embodied in the draft, and after nearly a week's consideration the draft was approved by the committee. So far as it relates to credits in connection with the breeding and maturing of live stock it may be said without qualification that the bill is what the industry wants.

Shortly thereafter there met here in Washington a national conference of cooperative marketing associations. These associations are composed entirely of agricultural producers who have organized themselves together for the orderly marketing of their commodities. There were present representatives of fruit growers' associations from California, as well as from Florida; grain associations from the Northwest, Middle West, and Southwest; dairy associations from numerous States; cotton associations from virtually every State in the Cotton Belt; tobacco associations from New England, from the South, and from the Middle West; and other associations too many in number and in the diversity of their products to enumerate at this time. It is estimated that the associations represented at the conference will handle during the present year approximately \$1,000,000,000 worth of agricultural commodities, and that they represent over 750,000 individual farmers.

The representatives from this conference discussed with the managing director of the War Finance Corporation primarily those portions of the pending bill which relate to marketing credits. They pointed out that, whatever valuable assistance they might receive from specially organized credit corporations under any one of the bills which had been introduced in Congress, their main reliance must always be upon the vast banking structure of the country and upon the Federal reserve system. Their object was to secure such modifications of this existing banking structure as would, in their opinion, render it more serviceable in the financing of agricultural marketing operations. They suggested primarily two changes.

In the first place, they asked that paper issued to finance the marketing of agricultural products be rendered eligible for rediscount in the Federal reserve system with a maturity up to nine months instead of the present limit of six months. Furthermore, they asked that the status of paper of cooperative marketing associations be clarified in order that it would be admissible for rediscount in the Federal reserve system through member banks, with the full maturity allowed to agricultural paper. Specifically, they indorsed in substance those sections of the pending bill contained in title 2 designed to effect these two changes.

The leading State in the Union from the point of view of cooperative marketing is California. In California the movement is of longest standing and has had its most successful development. Recently the legislative committee of the cooperative marketing associations of the State of California, representing associations handling over \$250,000,000 worth of products a year, gave the pending bill careful consideration and indorsed it without qualification.

Mr. President, while it gives to those important sections of the agricultural community what they desire in the way of credit legislation, the bill is nevertheless drafted upon lines to which no exception can be taken from the point of view of soundness. It has the indorsement of the Secretary of the Treasury and of the managing director of the War Finance Corporation, both experienced bankers. The provisions embodying amendments to the Federal reserve act have the approval of the acting governor of the Federal Reserve Board. There has been no suggestion from any responsible source that any of these provisions are unsound in principle from the point of view of conservative banking and finance or that they in any way imperil the stability and soundness of the banking and financial structure of the country.

The bill may be said, moreover, to crystallize the experience which the War Finance Corporation has gained in the practical administration of the agricultural credits law of 1921. For nearly a year and a half the War Finance Corporation has been making advances for agricultural and live-stock purposes under the terms of that law, and its work has brought it into practical and intimate touch with the credit requirements of virtually all the agricultural sections of the United States. The work of the War Finance Corporation has naturally divided itself into three parts. It has approved advances to country banks for general agricultural purposes in the amount of \$183,000,000. It has approved advances to live-stock loan companies in connection with the financing of cattle and sheep in the amount of \$80,000,000. It has approved advances to cooperative associations in connection with the marketing of agricultural commodities in the amount of \$180,000,000. The demands upon the corporation from these three sources show clearly where the needs of the agricultural communities lie, and this experience has been used in drafting the pending bill. The need of general banking credits in agricultural sections has been met by the amendments designed to bring more country banks into the Federal reserve system and by increasing to nine months the time of maturity of agricultural paper eligible for rediscount.

The needs of the live-stock industry, in connection with both the breeding and fattening of live stock, are taken care of in the sections creating Federal agricultural credit corporations, and in the provision for rediscountability for live-stock paper with a maturity up to nine months. The needs of the cooperative associations are recognized by express recognition of their paper as agricultural paper.

Another feature of the bill which merits the approval of the Senate is that it will involve the United States Government in no expense. It relies entirely upon private capital and upon private initiative and management. All that the Government will contribute will be a sound plan of organization and efficient and thorough supervision. Some Senators believe that the needs of the farmer can not be completely taken care of without some resort to Government financing. Others believe that private capital, under proper supervision and management, can take care of the situation fully and adequately. Whatever we may think in this regard, however, we must all agree that to the extent that private capital can give proper service to the farmer it should be helped and encouraged to do so. To give such help and encouragement is the purpose of this bill.

Mr. President, without going into too much detail, for the bill is fully analyzed in the committee report, I will now discuss briefly the changes which the bill will make in existing law and in the existing banking structure of the Nation.

The bill is composed of four titles, and the only title which creates any new machinery is Title I. This title provides for the Federal incorporation of agricultural credit corporations, with power to purchase or discount agricultural paper, secured either by agricultural commodities in warehouse or by live stock.

At this point I desire to correct a very general misapprehension as to the function which these credit corporations are expected to perform. It has been frequently said that the new machinery provided in this title will be of value only to those Western States which are largely devoted to the business of breeding and maturing cattle and sheep, and that it will be of no value in the great States of the Middle West and South where cattle and sheep and hogs are fattened for market, or to the producers of our great staple agricultural commodities. This is entirely untrue. The corporations have authority to make loans up to nine months on the security of live stock which is being fattened for market, and they have authority to make advances for the same period against nonperishable agricultural products properly warehoused. Moreover, paper issued or indorsed by these corporations for the purpose of financing the feeding of live stock or the marketing of agricultural products is by a later section rendered eligible for rediscount in the Federal reserve system through a member bank, or, if in the form of acceptances, is eligible for purchase by Federal reserve banks without the intervention of a member bank. In view of these provisions it seems clear that in any agricultural community in which there is a real need for financing in connection with the feeding of cattle or the marketing of nonperishable products it will be possible to organize such a corporation to avail itself of the benefits of the bill.

The provisions as to incorporation and capitalization of these corporations, the conditions and regulations under which they may make advances, indorse and sell paper, and issue debentures, are fully summarized in the report of the commit-

tee. The bill provides for these corporations the same efficient banking supervision that is provided for national banks under existing law. This is of the greatest importance. Senators from the live-stock States are familiar with the unfortunate conditions which have prevailed during the past few years in connection with some of the live-stock loan companies operating in those States. These corporations were organized by private capital under State law, and generally without any supervision or examination by State authorities. Some of them borrowed even fifteen or twenty times the amount of their capital; they made loans at inflated prices; they charged extortionate interest rates; and when the agricultural depression set in their financial structure collapsed like a house of cards. Under competent banking supervision these corporations would never have been permitted to engage in such unsound practices. The pending bill provides such supervision for companies organized under its terms.

In this connection also, I will mention briefly another important feature of the bill. It is provided in section 2 of Title I that the Secretary of Agriculture may license persons competent to inspect live stock as a basis for loans. There will thus be created a class of federally licensed live-stock inspectors, certified as to their competence and reliability, upon whom bankers and persons operating live-stock loan companies can call whenever they desire an expert inspection and count of live stock. Such an inspection is, of course, the first requisite of live-stock financing. These inspectors will not be Government employees, and will receive no compensation out of the United States Treasury. Bankers and live-stock men have testified, however, that their services will be of immense value and that such a system will go far to restoring the credit of live-stock paper.

Mr. President, the question may be asked where these agricultural credit corporations will secure the funds necessary for their operations. The initial capital will, it is expected, be subscribed not only by private investors but by banks in the community. Special authority is given in the bill to national banks to subscribe, in a limited amount, to the stock of the corporations, and it is to be hoped that State legislatures will give similar authorization to State banks. These corporations, however, will do a business which may run as high as ten times the amount of their capital stock. Since they are not authorized to receive deposits, they must obtain these funds by borrowing in the investment market. The corporations are, therefore, authorized to sell paper, with or without their indorsement, and to issue debentures secured by the agricultural paper which they have discounted.

To establish channels through which these corporations can obtain the necessary funds, provision is made for the incorporation of larger rediscount corporations, to be organized principally in the larger financial centers. It is expected that such corporations, having a capital stock of \$1,000,000 or over, will be organized in the capital centers and will constitute the channel through which the agricultural credit corporations will sell their paper to financial institutions and private investors.

Title I, as I have said, is the only part of the bill which creates any new machinery. Title II is devoted entirely to amendments to the present banking laws. These amendments have two primary purposes in mind: First, to bring into the Federal reserve system as many as possible of the country banks which are not now members of the system, and, second, to make such changes in the rules of eligibility governing agricultural paper as seem necessary to fit the actual requirements of the farmer.

At the present time no State bank may become a member of the Federal reserve system if it has a capital and surplus less than \$25,000, in places having a population not exceeding 3,000 inhabitants; or if it has a capital and surplus less than \$50,000, in places having a population not exceeding 6,000 inhabitants. In the present bill these limits are reduced to \$15,000 and \$35,000, respectively.

The other amendments to the Federal reserve act relating to eligibility of agricultural paper for rediscount I have already touched upon. It is provided, briefly, that any paper issued for an agricultural purpose or based on live stock is eligible for rediscount with a maturity up to nine months. Such paper, however, if it has a maturity over six months, may be made the basis of currency issues only if it is secured either by non-perishable commodities in warehouse or by live stock which is being fattened for market. The title also, as I have said, defines as agricultural paper the notes or drafts of cooperative associations issued in connection with their marketing operations. These provisions are of the greatest importance in connection with the marketing of our great agricultural staples, such as cotton, wheat, and tobacco. They will tend to promote the

movement, in which the great cooperative marketing associations are playing such an important part, toward the more gradual shipment of crops to market. Every year at harvest time we are faced with a recurring and growingly acute condition of railroad congestion. There are not enough freight cars in the country to handle the peak load of agricultural products, and to manufacture enough cars means added expense which will ultimately fall upon the agricultural producer. We will not solve this problem satisfactorily until we have learned to spread our grain shipments over a longer period of time, and this means orderly marketing. Orderly marketing means more gradual marketing, and more gradual marketing means longer time credits for producers and for their marketing associations.

Title III of the bill contains amendments to the War Finance Corporation act which will permit the corporation to continue making advances for agricultural or export purposes until through the winter of 1923-24. The War Finance Corporation has always been recognized as a temporary emergency organization. Its personnel was built up on an emergency basis, and the hundred or more bankers throughout the country who are serving on its committees in passing upon loans are acting from public-spirited motives and without compensation. It is not proposed to make the War Finance Corporation a permanent institution, and it would be impossible to keep together its organization permanently upon the present basis. It will, however, take some time to set in motion the machinery provided in the pending bill, and it is believed that the War Finance Corporation, if its powers are extended until the spring of 1924, can be of great assistance in this connection.

Finally, in Title IV the bill raises from \$10,000 to \$25,000 the amount which a Federal land bank may lend to one borrower. This change has been urged by the representatives of many agricultural organizations, and has the approval of the Federal Farm Loan Board, as well as the Secretary of the Treasury. At one time there was some doubt whether such a change would not be harmful. A year ago the amount of money available by the sale of farm loan bonds was limited, and the Federal land banks had enough applications for loans in small amounts to absorb completely any funds that could be obtained. Larger loans could therefore have been made only at the expense of the small farmer. At the present time, however, the situation has changed. There is now an established market for Federal farm loan bonds; investment funds are available in large quantities and at reasonable rates, and it is the testimony of those who are charged with the administration of the act that enough money can be obtained to take care of all legitimate needs. It is felt, therefore, that the increase in the limit will be in no way harmful to the small farmer, and will be of great assistance in those sections in which farming must be conducted on a comparatively large scale.

Mr. President, in closing I wish to point out that the provisions contained in the bill now under consideration have met with virtually no opposition. Some people, it is true, think the bill does not go far enough and that additional machinery should be created with Government money and under Government operation. There is nothing in the present bill which will prevent Congress from establishing such additional machinery, either now or later, should it be concluded that such additional machinery is necessary. I think it is generally agreed that this bill is sound, and that it will be helpful. Whatever our views may be as to the necessity of such additional machinery as is provided either in the Lenroot-Anderson bill, which I favor, or in other bills which have been introduced during the present session, I think we can join now in passing the present bill. It embodies those provisions upon which I believe all parties are quite generally agreed. It carries with it the approval of the cooperative marketing associations, of the national associations representing the cattle and sheep industry, of the Secretary of the Treasury, of the War Finance Corporation, and of the Federal Reserve Board. It represents what can be accomplished immediately, without controversy, and upon sound and constructive lines.

The PRESIDING OFFICER. The Secretary will read the bill for action on the committee amendments.

The reading clerk proceeded to read the bill, as follows:

TITLE I.

SHORT TITLE.

SEC. 1. That this title may be cited as "The Federal agricultural credits act."

AGRICULTURAL CREDIT CORPORATIONS.

SEC. 2. That corporations for the purpose of providing credit facilities for the agricultural and live-stock industries of the United States may be formed by any number of natural persons not less in any case than five. Such persons shall enter into articles of association which shall specify in general terms the object for which the corporation is formed, and may contain any other provisions, not inconsistent with law, which the corporation may see fit to adopt for the regulation of its

business and the conduct of its affairs. Such articles of association shall be signed by the persons intending to participate in the organization of the corporation and thereafter shall be forwarded to the Comptroller of the Currency to be filed and preserved in his office.

REQUISITES OF ARTICLES AND CERTIFICATE.

SEC. 3. That persons signing such articles of association shall make an organization certificate which shall specifically state the name of the corporation to be organized, the place where its principal office is to be located, the State or States in which its operations are to be carried on, the amount of its capital stock, and the number of shares into which the same shall be divided, and the fact that the certificate is made to enable the subscribers to avail themselves of the advantages of this act.

The name of each corporation organized under this act shall include the words "Federal agricultural credit."

The said organization certificate and articles of association shall be acknowledged before some judge of a court of record or notary public and shall, together with the acknowledgment thereof duly authenticated by the seal of such court or notary, be transmitted to the Comptroller of the Currency, who shall file, record, and carefully preserve the same in his office.

Upon making and filing the articles of association and organization certificate with the Comptroller of the Currency, and when the Comptroller of the Currency has approved the same and issued a written permit to begin business, the said corporation shall be and become a body corporate, and as such and in the name set forth in the organization certificate shall have power—

(1) To adopt and use a corporate seal.
(2) To have succession for a period of 50 years unless sooner dissolved by the act of shareholders owning two-thirds of its stock or by act of Congress or unless its charter shall be forfeited for violation of law.

(3) To make contracts.
(4) To sue and be sued, complain and defend in any court of law or equity.

(5) To elect or appoint directors and by its board of directors to appoint such officers and employees as may be deemed proper; to define their authority and duties; to fix their salaries; in its discretion to require bonds of any of them and to fix the penalty thereof; and to dismiss at pleasure any of such officers or employees.

(6) To prescribe by its board of directors by-laws not inconsistent with law or the regulations of the Comptroller of the Currency regulating the manner in which its general business may be conducted, its shares of stock be transferred, its directors and officers be elected or appointed, its property transferred, and the privileges granted to it by law be exercised and enjoyed.

(7) To exercise by its board of directors or duly authorized officers or agents all powers specifically granted by the provisions of this act, and such incidental powers as shall be necessary to carry on the business for which it is incorporated, within the limitations prescribed by this act; but such corporation shall transact no business, except such as is incidental and necessarily preliminary to its organization, until authorized in writing by the Comptroller of the Currency to commence business under the provisions of this act.

(8) To establish and maintain branches or agencies within the States in which authorized to engage in business under regulations to be prescribed by the Comptroller of the Currency.

(9) The affairs of each corporation organized under the provisions of this act shall be managed by not less than five directors, who shall be elected by the stockholders at a meeting to be held at any time before the corporation is authorized by the Comptroller of the Currency to commence business, and afterwards at meetings to be held on such day in January of each year as may be provided in the articles of association. The directors so elected shall hold office for one year, and until their successors are elected and have qualified. Every director and other officer of the corporation shall, before entering upon the duties of his office, take and subscribe an oath before a notary public or other official having a seal and authorized to administer oaths, conditioned for the faithful performance of the duties of his office. Such oath shall be in such form as may be prescribed by the Comptroller of the Currency, and shall be filed in the office of the Comptroller of the Currency. Any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election.

POWERS OF THE CORPORATION.

SEC. 4. That each corporation so organized shall have power under such rules and regulations as the Comptroller of the Currency may prescribe:

(1) To make advances upon, to discount, rediscount, or purchase, and to sell or negotiate, with or without its indorsement or guaranty, notes, drafts, or bills of exchange, and to accept drafts or bills of exchange, which—

(a) Are issued or drawn for an agricultural purpose, or the proceeds of which have been or are to be used for an agricultural purpose;

(b) Have a maturity, at the time of discount, purchase, or acceptance, not exceeding nine months;

(c) Are secured at the time of discount, purchase, or acceptance by warehouse receipts or other like documents conveying or securing title to nonperishable and readily marketable agricultural products, or by chattel mortgages or other like instruments conferring a first and paramount lien upon live stock which are being fattened for market.

(2) To make advances upon or to discount, rediscount, or purchase, and to sell or negotiate with or without its indorsement or guaranty, notes secured by chattel mortgages conferring a first and paramount lien upon maturing and breeding live stock and dairy herds, and having a maturity at the time of discount, rediscount, or purchase not exceeding three years.

(3) To issue, subject to such regulations as the Comptroller of the Currency may prescribe, collateral trust notes or debentures, with a maturity not exceeding three years, and to pledge as security for such notes or debentures any notes, drafts, bills of exchange, or other securities held by the corporation under the terms of this act. The regulations of the Comptroller of the Currency may prescribe the form of such notes or debentures, and of notes, drafts, bills of exchange, warehouse receipts, chattel mortgages, or other instruments which may be pledged as security therefor, the provisions which may be made with regard to release, substitution, or exchange of such securities, and with regard to protection, supervision, inspection, and reinspection of the agricultural commodities or live stock pledged or mortgaged as security therefor.

(4) To subscribe for, acquire, own, buy, sell, and otherwise deal in bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States to such extent as its board of directors may determine.

(5) To act, when requested by the Secretary of the Treasury, as fiscal agent of the United States, and to perform such services as the Secretary of the Treasury may require in connection with the issue, sale, redemption, or repurchase of bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States.

(6) To act as custodian, trustee, or agent for banks or trust companies which are members of the Federal reserve system.

(7) To purchase, hold, acquire, and dispose of shares of the capital stock of any corporation organized under the provisions of section 8 of this act, in an amount not to exceed at any time 20 per cent of its paid-in and unimpaired capital and surplus.

(8) To purchase, hold, and convey real estate for the following purposes, and for no others:

(a) Such as shall be necessary for its accommodation in the transaction of its business.

(b) Such as shall be mortgaged to it in good faith by way of security for loans or advances made, or for debts previously contracted.

(c) Such as shall be conveyed to it in satisfaction of loans or advances made or debts previously contracted in the course of its dealings.

(d) Such as it shall purchase at sales under judgment decrees, or mortgages held by the corporation or shall purchase to secure debts due to it.

Any obligation referred to in paragraphs 1 or 2 of this section which is secured by chattel mortgage upon live stock of an estimated market value at least equal to the face amount of such obligation may be additionally secured by mortgage or deed of trust upon real estate or by other securities under such regulations as may be made by the Comptroller of the Currency.

LIMITATIONS.

SEC. 5. Except as hereinafter in section 8 provided, no corporation organized under this act shall incur liabilities, whether direct or contingent, in excess of ten times its paid-in and unimpaired capital and surplus; nor shall any such corporation make advances to or hold notes or other direct obligations of any person or corporation, or have outstanding acceptances for any person or corporation, in an amount exceeding 20 per cent of the paid-in and unimpaired capital and surplus of such corporation, unless such advances, notes, or other obligations are adequately secured by warehouse receipts representing readily marketable and nonperishable agricultural commodities, in which event the amount of such advances to, or notes or other direct obligations of, such one person, association, or corporation shall not exceed 50 per cent of such paid-in and unimpaired capital and surplus. No such corporation shall purchase, own, or deal in any live stock except live stock taken in the course of liquidation of obligations held by it.

INTEREST RATES.

SEC. 6. Any corporation organized under the provisions of this act may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate allowed by the laws of the State in which such obligation is by its terms made payable.

The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding paragraph, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representative, may recover back in an action in the nature of an action for debt twice the amount of the interest thus paid from the corporation taking or receiving the same, provided such action is commenced within two years from the time the usurious transaction occurred.

CAPITAL STOCK.

SEC. 7. That no corporation organized under the provisions of this act shall be permitted to commence business with a paid-in capital of less than \$250,000; and no permit to begin business shall be issued to any such corporation by the Comptroller of the Currency until there shall have been filed with him a certificate signed by the president or treasurer and by individuals comprising a majority of the board of directors of such corporation showing that at least 50 per cent of the authorized capital stock of such corporation has been paid in in cash; and the remainder of the capital stock of such corporation shall be paid in installments of at least 10 per cent each on the whole amount of the capital, and the entire authorized capital stock shall be paid in within six months from the date upon which such corporation shall be authorized by the Comptroller of the Currency to commence business. The payment of each installment shall be certified to the Comptroller of the Currency under oath by the president or cashier of such corporation.

Mr. FLETCHER. Mr. President, I ask the chairman of the committee whether he thinks it is necessary to the safety of this system that the stock should be limited to a minimum of \$250,000 paid-in capital. The thought I have is that there may be a good many communities in the United States where it is quite a problem to raise \$250,000 in cash in order to organize one of these corporations. I know it is desirable to have as large a capital as possible in order to meet conditions. It makes it safer, and there is a good deal of power vested in these corporations and a good deal of business is expected to be done by them. At the same time, I have in mind conditions in some parts of the country where it is going to be very difficult to get together \$250,000 in cash in order to organize one of these corporations.

I was wondering if the Senator might think that, perhaps, we could reduce that amount a little—say, to \$200,000 or \$150,000 as a minimum capital for these corporations. This is going to make it very difficult. I think it will limit the number of these corporations organized to a very great extent. They are voluntary organizations. They ought to be strong, and they will be supervised and all that sort of thing, as the bill provides, but it seems to me that there can not be a great many of them or

ganized with the requirement that before they can commence business at all they must pay in at least \$250,000. That is a good deal of money to raise in some States and in some communities.

Mr. McLEAN. As a member of the Committee on Banking and Currency, the Senator knows that the committee thought the corporations should have a capital of at least \$250,000. It is for the Senate to say whether that figure shall be reduced. I suggest to the Senator that his point might be postponed for the present, as I would like to have the reading of the bill for committee amendments completed this afternoon, if possible. I think his suggestion is a very important one, and if the amount required as paid in capital is to be reduced, it should have pretty serious consideration.

Mr. FLETCHER. I recall that the committee thought it was well to hold to that figure, but since I have thought more about it and heard from some communities which would be interested in it, I have been impressed with the fact that perhaps we might accomplish better results if we reduce the figure. I did not know whether the Senator had thought more on the subject and whether he was prepared to consent to a reduction there or not.

Mr. McLEAN. I certainly can not consent to it now without consulting the committee. We will have a meeting tomorrow, and we will take that up. The Senator is a member of the committee.

Mr. FLETCHER. I can offer the amendment later, of course.

The reading of the bill was continued, as follows:

The capital stock of any such corporation may be increased at any time with the approval of the Comptroller of the Currency by a vote of two-thirds of the holders of its issued and outstanding capital stock, or by written consent of all of its shareholders without a meeting and without a formal vote; and may be reduced in like manner: *Provided*, That in no event shall such capital stock be reduced to an amount less than one-tenth of its then outstanding indebtedness, direct or contingent, or to an amount less than \$250,000. No corporation, except as herein provided, shall withdraw or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its paid-in capital, and section 5104 of the United States Revised Statutes, prohibiting the payment of unearned dividends or the withdrawal of capital of national banks, shall be held to apply to corporations organized under the provisions of this act.

The provisions and limitations contained in section 5136 of the United States Revised Statutes, relative to transfer of the shares of the capital stock of national banks, shall apply to corporations organized under the provisions of this act.

Whenever any shareholder or his assign fails, upon demand of the Comptroller of the Currency, to pay his subscription or any part thereof on stock of such corporation subscribed to by him, the directors of the corporation, after 15 days' notice, shall proceed in the manner prescribed by section 5141 of the United States Revised Statutes for the collection of unpaid subscriptions to stock of national banks.

Section 5144 of the United States Revised Statutes, which relates to the right of shareholders of national banks to vote by proxy, shall be held to apply to shareholders of corporations organized under the provisions of this act.

REDISCOUNT CORPORATIONS.

SEC. 8. That corporations having a paid-in capital stock of \$1,000,000 or over may be organized under the provisions of this act, to exercise all the powers enumerated in section 4, except that in lieu of the powers conferred in subsections 1 and 2 of said section 4 such corporations shall have power, upon the indorsement of any corporation organized under the terms of this act, to rediscount notes, drafts, bills of exchange, and acceptances for such corporations. Such indorsement shall be deemed to be a waiver of demand notice and protest by such corporation as to its own indorsement exclusively.

Corporations organized under the provisions of this section shall not be subject to the limitations contained in section 5, but the Comptroller of the Currency may by general regulations from time to time prescribe the amount of indebtedness, direct or contingent, which such corporations may incur, and the aggregate amount of paper of different types which such corporations may rediscount for any one corporation.

Corporations with powers limited, as provided in this section, may commence business without deposit of bonds or other obligations of the United States, as provided in section 9 of this act.

PERMIT TO BEGIN BUSINESS.

SEC. 9. That no corporation organized under this act, except corporations with powers limited, as provided in section 8, shall commence business until it has deposited with the Federal reserve bank of the district wherein it has its principal place of business, bonds or other obligations of the United States in an aggregate face amount at least 25 per cent of its paid-in capital stock. Each such corporation shall at all times keep on deposit with such Federal reserve bank an amount of such bonds or other obligations of the United States at least equal in face value to 7½ per cent of the aggregate indebtedness of such corporation, direct or contingent, said amount to include the 25 per cent deposited as hereinbefore provided. Except as hereinafter provided, such bonds or other obligations shall be held by such Federal reserve bank, subject to the direction and control of the Comptroller of the Currency, in trust for the equal and pro rata protection and benefit of all holders of notes, debentures, drafts, bills of exchange or acceptances upon which such corporation may be directly or contingently liable. Upon receipt of proper evidence that the amount of such bonds or other obligations of the United States so deposited exceeds 7½ per cent of such aggregate indebtedness, the Comptroller of the Currency may release such excess, provided that the amount remaining on deposit shall in no event be reduced below 25 per cent of the paid-in capital stock of such corporation. Under such regulations as the Comptroller of the Currency may prescribe, a Federal reserve bank may, upon request of the corporation which deposited the same, sell any such bonds or obligations for account of such corporation, and permit such corporation to use the proceeds

thereof for the protection or preservation of any property pledged or mortgaged as security for obligations owned or indorsed by the corporation.

Mr. HARRISON. How long does the Senator intend to have the Senate proceed to-night? There are some provisions to which amendments will be offered, and there ought to be a pretty full attendance.

Mr. McLEAN. The bill is being read now for action on the committee amendments.

Mr. HARRISON. I understand that; but there will be amendments offered to some of the committee amendments.

Mr. McLEAN. The committee amendments are printed in the bill.

Mr. HARRISON. I understand that an executive session is desired.

Mr. McLEAN. I rather hoped we could finish the reading of the bill for action on the committee amendments this afternoon.

Mr. HARRISON. Some of the amendments will be discussed.

Mr. McLEAN. I ask that the amendment which we have just reached, on page 15, be acted upon.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. On page 15, line 1, after the word "If," strike out the word "the" and insert the word "by," so as to make the clause read:

If by reason of such sale the face amount of such bonds or other obligations of the United States remaining on deposit with such Federal reserve bank shall be less than 7½ per cent of such aggregate indebtedness of the corporation, no further advances shall be made, or notes, drafts, or bills of exchange discounted, rediscounted, accepted, or purchased by such corporation until sufficient additional bonds or other obligations of the United States have been deposited to make good the deficiency.

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

DEATH OF REPRESENTATIVE NESTOR MONTOYA.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, communicated to the Senate the intelligence of the death of Hon. NESTOR MONTOYA, late a Representative from the State of New Mexico, and transmitted the resolutions of the House thereon.

Mr. JONES of New Mexico. Mr. President, I ask the Chair to lay before the Senate the resolutions of the House.

The VICE PRESIDENT laid before the Senate the resolutions of the House, which were read, as follows:

IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
January 14, 1923.

Resolved, That the House has heard with profound sorrow of the death of Hon. NESTOR MONTOYA, a Representative from the State of New Mexico.

Resolved, That a committee of 10 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

Mr. JONES of New Mexico. Mr. President, I ask for the adoption of the resolutions which I send to the Secretary's desk.

The VICE PRESIDENT. The resolutions will be read.

The resolutions (S. Res. 406) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Hon. NESTOR MONTOYA, late a Representative from the State of New Mexico.

Resolved, That a committee of six Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT appointed as the committee on the part of the Senate, under the second resolution, Mr. JONES of New Mexico, Mr. BURSUM, Mr. LODGE, Mr. UNDERWOOD, Mr. CURTIS, and Mr. MYERS.

Mr. JONES of New Mexico. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 5 o'clock p. m.) the Senate adjourned until to-morrow, Tuesday, January 16, 1923, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 15 (legislative day of January 9), 1923.

PROMOTIONS IN THE NAVY.

To be rear admirals.

Charles B. McVay, jr.
John H. Dayton.

To be captain.

Kenneth G. Castleman.

To be commanders.

Grafton A. Beall, jr.	Bruce R. Ware, jr.
William H. Lee.	Arie A. Corwin.
Ralph C. Needham.	George M. Courts.
George W. Kenyon.	

To be lieutenant commanders.

Robert B. Simons.	Horatio J. Peirce.
Louis P. Wenzell.	Hugh C. Frazer.
Ellis M. Zacharias.	Thales S. Boyd.
Harold B. Grow.	James A. Crutchfield.
Beriah M. Thompson.	

To be lieutenants.

Otto H. H. Strack.	Merritt P. Higgins.
Carl H. Forth.	Carl A. Scott.
Duane L. Taylor, jr.	William L. Peterson.
Hubert H. Anderson.	Paul C. Warner.
Alfred P. Moran, jr.	Raymond F. Tyler.
Paul F. Lee.	Troy N. Thweatt.
Ralph E. Jennings.	Harry F. Carlson.
Frank N. Sayre.	Frederick O. Goldsmith.
Earle H. Kincaid.	Daniel H. Kane.
George W. Brashears, jr.	Russell V. Pollard.
Fred A. Hardesty.	Thomas D. Guinn.
William Hartenstein.	

To be lieutenants (junior grade).

Harry E. Stevens.	Myron T. Richardson.
Walter M. Shipley.	John A. Sedgwick.
Clyde Keene.	Jackson R. Tate.
Daniel F. Mulvihill.	Lawrence F. Blodgett.
David McWhorter, jr.	James S. Haughey.
Samuel E. Lee.	Merritt A. Bittinger.
Clarence E. Williams.	Cyril E. Taylor.
Alvin Henderson.	William L. Hickey.
Grover C. Watkins.	Bernard J. Loughman.
Thomas P. Kane.	Raymond C. Ferris.
Wiley B. Jones.	William H. Galbraith.
Harley E. Barrows.	Robert D. Threshie.
Philip D. Butler.	Ernest E. Stevens.
Donald B. McClary.	Frank W. Schmidt.
Alva Henderson.	Maurice Van Cleave.
Ell B. Parsons.	Edward H. McMenemy.
Elmer J. Tiernan.	Royal A. Houghton.
Julius C. Kinsky.	Darrough S. Gurney.
Benjamin S. Brown.	Carroll T. Bonney.
Francis E. Matthews.	John B. Mallard.
Charles R. Hoffecker.	George D. Morrison.
Henry L. Burmann.	William E. Miller.
Eugene Bastian.	William P. Hepburn.
Howard L. Clark.	Jim T. Acree.
Frederick A. Smith.	Charles L. Surran.
Charles H. Miller.	Edward H. Doolin.
Ralph L. Lovejoy.	Marvin H. Grove.

To be medical inspector with rank of commander.

Eugene A. Vickery.

To be surgeon with rank of lieutenant commander.

Frederic L. Conklin.

To be passed assistant surgeons with rank of lieutenant.

Charles F. Behrens.	Fred M. Rohow.
Duncan D. Bullock.	Frank M. Moxon.
Charles E. Clark.	Lyle J. Millan.
Navy F. X. Banvard.	Robert E. Duncan.
Lloyd L. Edmisten.	

To be dental surgeon with rank of lieutenant commander.

Alexander G. Leyle.

To be passed assistant dental surgeons with rank of lieutenant.

Ray Endell Farnsworth.	Leonard M. Desmond.
Walter I. Minowitz.	Harold J. Hill.

To be chaplain with rank of captain.

George E. T. Stevenson.

To be naval constructor with rank of admiral.

Robert Stocker.

To be naval constructors with rank of captain.

William McEntee.	George C. Westervelt.
Richard D. Gatewood.	Emory S. Land.

To be naval constructors with rank of commander.

Walter W. Webster.
Harold E. Saunders.

POSTMASTERS.

TEXAS.

Charles A. Ziegenhals, Bastrop.

INDIANA.

Howard J. Tooley, Columbus.
Milton E. Spencer, Ossian.

IOWA.

William C. Howell, Keokuk.
Willis G. Smith, Rock Rapids.
Baty K. Bradfield, Spirit Lake.
Archie C. Smith, Storm Lake.

LOUISIANA.

Herman M. Foster, Cedar Grove.
Silvio Broussard, New Iberia.
Alexander E. Harding, Slidell.
Louis Hebert, White Castle.

MINNESOTA.

William W. Tyndall, Grand Rapids.
Charles F. Wolfe, Kellogg.
George L. Chesley, Pipestone.
James W. Featherston, Staples.

MISSOURI.

Herbert Schnur, Joplin.
Henry O. Abbott, Lebanon.
Edward B. Wilson, Stanberry.

NEW JERSEY.

Irvin D. B. Spatz, Edgewater.
George I. Harvey, Palmyra.

OHIO.

Howard M. Snedeker, Bellaire.
William C. Shafer, Struthers.

PENNSYLVANIA.

John D. Gerhart, East Greenville.
John S. Leidy, Hatboro.
Franklin H. Bean, Quakertown.

HOUSE OF REPRESENTATIVES.

MONDAY, January 15, 1923.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou in whose presence we wait, we thank Thee for our Republic. It is a goodly vine we have inherited; its clusters of blessings hang richly and its roots run out in many ways for the comfort of all. Help us to understand our responsibilities and to see the possibility of even a nobler patriotism. Make it easier for us to go out and be better citizens and to carry to higher usefulness the influence that we possess. O Father of wisdom and mercy, bless all philanthropies which go forward to teach the ignorant, to give bread to the hungry, and to give freedom to those who are oppressed. Be the refuge for those who are now in the waters of affliction. Keep them close to the Father's heart and may Thy sweet peace enfold their troubled souls. Through Jesus Christ. Amen.

The Journal of the proceedings of Friday, January 13, and the Journal of Sunday, January 14, were read and approved.

The SPEAKER. The Calendar for Unanimous Consent is in order to-day, and the Clerk will report the first bill on that calendar.

LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWAS.

The first bill on the Calendar for Unanimous Consent was the bill H. R. 6428, a bill for the enrollment and allotment of the members of the Lac du Flambeau Band of Lake Superior Chippewas, in the State of Wisconsin, and for other purposes.

Mr. ROACH. Mr. Speaker, I ask unanimous consent that that bill be passed.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the bill be passed. Is there objection? There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 31 and 36 to the bill (H. R. 13559) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1924, and for other purposes.

Also that the Senate had passed with amendments bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 13593. An act making appropriations for the Post Office Department for the fiscal year ending June 30, 1924, and for other purposes; and

H. R. 13481. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes.

Also that the Senate had passed Senate bills and a joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 265. Joint resolution to stimulate crop production in the United States;

S. 3515. An act for the relief of the New Jersey Shipbuilding & Dredging Co., of Bayonne, N. J.; and

S. 4309. An act to amend an act entitled "An act to amend an act entitled 'An act to provide a government for the Territory of Hawaii,' approved April 30, 1900, as amended, to establish a Hawaiian Homes Commission, granting certain powers to the Board of Harbor Commissioners of the Territory of Hawaii, and for other purposes," approved July 9, 1921.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled bills, reported that that committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 13374. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1924, and for other purposes;

H. R. 13615. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1923, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes; and

H. R. 7658. An act to amend the act approved August 25, 1919, entitled "An act for the relief of contractors and sub-contractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes."

COINAGE OF 50-CENT PIECES.

The next bill on the Calendar for Unanimous Consent was the bill H. R. 13194, a bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the enunciation of the Monroe doctrine.

The Clerk read the title to the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, this is the measure which was under consideration two weeks ago, and to which at one time objection was made because of the authority proposed to be given to a civic association in Los Angeles to receive and to the Treasury Department to coin silver 50-cent pieces of a type in commemoration of the Monroe doctrine. I must say that I am not very much in sympathy with this proposal to have cities or private establishments authorized to receive specially designed coin that might be sold at any price, to their own profit.

I would like to have the gentleman who reported the bill give some reason why we should keep on making exceptions. I am aware that last year we authorized the minting of a special coin in commemoration of some local event in Ohio. That was strongly pressed by the congressional delegation of that State. They utilized the fund raised from the sale of the dollar gold pieces to build a highway. If we keep on passing these bills every Member of the House is going to be besieged with demands from his constituents to have some special coin minted that will be for the exclusive benefit of that locality. It is a bad policy—one that is going to plague us if we keep on multiplying these instances.

Mr. BLANTON. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BLANTON. The celebration of the one hundredth anniversary of the Monroe doctrine can not be designated as a local affair.

Mr. STAFFORD. It is going to be a local affair, I will say to the gentleman from Texas.

Mr. BLANTON. The Monroe doctrine is not applicable to any one particular locality.

Mr. STAFFORD. It is national in its character, but they are trying to localize it by giving the privilege to this Los Angeles Association to have the exclusive control of these 50-cent pieces. They are trying to localize a national affair in which all the country is interested. Why should the Clearing House Association of Los Angeles have the exclusive privilege of these 50-cent pieces?

Mr. BLANTON. I would rather have this association sell them for a sufficient bonus to finance their celebration than to have them come to Congress for several hundred thousand dollars, as they do in many other localities.

Mr. STAFFORD. Two weeks ago, when this bill was first being considered, I stated the very argument that the gentleman is now advancing, that I would rather have them obtain the funds to meet the expenses through the premium derived from the sale of these coins than to call upon Congress for an appropriation. I am surprised that the gentleman was not here at that time.

Mr. BLANTON. I was here, and some gentleman objected to the bill.

Mr. STAFFORD. I did not object to the bill.

Mr. BLANTON. Well, some one did—I think it was the gentleman from Massachusetts [Mr. TREADWAY]—and it went off the calendar.

Mr. STAFFORD. I stated then that I would not object to the bill, and I did not object to the bill. The gentleman, the proponent of the bill, said that that was not the purpose; that it was merely the purpose to give this association the exclusive right over the 50-cent pieces.

Mr. BLANTON. If the gentleman will read the RECORD for December 18, 1922, when the bill was objected to, he will see that I then said that they would sell them for a bonus.

Mr. STAFFORD. The gentleman is mistaken; I did not say anything of the kind.

Mr. BLANTON. I did not say that the gentleman from Wisconsin stated that; I stated that I said it myself.

Mr. STAFFORD. Oh, well, I am not responsible for what the gentleman said.

Mr. VESTAL. Mr. Chairman, I may say that this is not a new precedent. Of course, it is national in its character. It is the celebration of the one hundredth anniversary of the enunciation of the Monroe doctrine. They propose in this celebration to make films and pictures of the progress of industry from the time of the enunciation of the Monroe doctrine to the present time, and these pictures and films are to be given to the educational world and will go through the universities and schools of the country.

Mr. STAFFORD. Will the gentleman yield?

Mr. VESTAL. Certainly.

Mr. STAFFORD. I am more concerned, and the House is more concerned, in what is going to be done with the coins. This bill does not provide for any film. What is the clearing-house association going to do with the coins?

Mr. VESTAL. Just as they did at the centennial in Plymouth and over in Ohio. The coins are sold. Of course, there must be some association to take the coins from the Government. This bill would not have been reported favorably, nor would the Treasury Department have recommended the bill, unless there had been some association to take charge of the coins.

Mr. STAFFORD. Then I am getting a different view from what the author of the measure said was the purpose when the bill was last under consideration. I have no objection to the bill if the purpose is to sell these coins at a premium so as to provide for a fitting celebration in commemoration of the one hundredth anniversary of the promulgation of the Monroe doctrine. If that is a fact, as I stated then, I would rather have them get the money in that way than to call on Congress for a fund. Under these circumstances, if the gentleman is quite certain that that is the purpose, I withdraw the reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. VESTAL. Mr. Speaker, I ask unanimous consent to substitute for the bill the bill S. 4096, similar in every way to the House bill.

The SPEAKER. The gentleman from Indiana asks unanimous consent to substitute the bill S. 4096, a similar Senate bill, for the House bill. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.
The Clerk read as follows:

Be it enacted, etc., That in commemoration of the one hundredth anniversary of the enunciation of the Monroe doctrine there shall be coined at the mints of the United States silver 50-cent pieces to the number of not more than 300,000 such 50-cent pieces to be of the standard troy weight, composition, diameter, device, and design as shall be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, which said 50-cent pieces shall be legal tender in any payment to the amount of their face value.

SEC. 2. That the coins herein authorized shall be issued only upon the request of the Los Angeles Clearing House and upon payment by such clearing house to the United States of the par value of such coins.

SEC. 3. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coining, providing for the purchase of material and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for security of the coin, or for other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized; *Provided*, That the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

The SPEAKER. The question is on the third reading of the Senate bill.

Mr. BLANTON. Mr. Speaker, I move to strike out the last word. The gentleman from Wisconsin [Mr. STAFFORD] is usually present on unanimous-consent days, but he is not the only Member who is always present. Because I indicated part of what transpired in connection with this bill on the last unanimous-consent day, which was December 18, 1922, the gentleman facetiously or otherwise intimated that I was not here, but he will find, if he will examine the RECORD—and in connection with my remarks I shall insert exactly what transpired concerning the bill—that I then suggested that this would be a cheaper way to finance the proposition than having some one later come to Congress for an appropriation. I state this merely to keep the record straight in that respect. This bill was objected to on December 18, 1922. I quote from page 637 of the CONGRESSIONAL RECORD for that day, as follows:

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?
Mr. TREADWAY. Yes.

Mr. BLANTON. If they are not going to ask the Federal Government for help—which would be a departure from the usual custom—and if by section 2 they can sell these coins at a premium of 50 cents or a dollar and thereby secure funds—

Mr. GREENE of Vermont. Mr. Speaker, will the gentleman yield?
Mr. TREADWAY. Oh, yes; I will yield to a Senator at any time. [Laughter.]

Mr. MONDELL. Mr. Speaker, I hope the gentleman from Vermont will not object, holding the views that he does.

Mr. BUTLER. Mr. Speaker, I call for the regular order.

The SPEAKER. The regular order is demanded.

Mr. TREADWAY. I object.

The SPEAKER. Objection is made.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read the third time, was read the third time, and passed.

On motion of Mr. VESTAL, a motion to reconsider the vote by which the bill was passed was laid on the table.

By unanimous consent, the bill H. R. 13194, of similar title, was ordered to lie on the table.

CHANGING GRADE AND PERCENTAGES OF ENLISTED MEN, UNITED STATES ARMY.

The next business on the Calendar for Unanimous Consent was the bill (S. 4037) to amend the grade percentages of enlisted men as prescribed in section 4b of the national defense act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Chairman, this bill entails an additional obligation upon the Treasury amounting to a million and a half dollars. I think it is too important to consider on the Unanimous-Consent Calendar.

Mr. MCKENZIE. Mr. Speaker, I have no desire to take up the time of the House in explaining this measure if, after the explanation, the bill is going to be objected to. This is an important measure, and it involves not to exceed \$1,500,000, I say frankly to the gentleman from Wisconsin, but it is a matter involving the efficiency of the tactical organization of the Army.

Mr. STAFFORD. Perhaps it will be agreeable to have the matter go over for two weeks?

Mr. MCKENZIE. I could not consent to that, for this reason: Under the law reducing the Army to 125,000 men it became necessary to demote and eliminate a great many of the officers now holding these various positions in the various grades. That was to be effective on the 31st day of December. I do not know

whether it has been put into effect or not, but evidently it will be very soon, and in the interest of good government and efficient organization, if we are going to pass this bill at all, we ought to pass it now. If we are not going to pass it, it will be up to the Army to do the best it can without it, and I can see no good reason for asking to delay the measure.

Mr. STAFFORD. This bill, as I have the figures before me—and if I am in error I would like to have the gentleman from Illinois [Mr. MCKENZIE], who reported the bill, correct me—provides for 734 more noncommissioned officers of the three higher grades than are authorized in existing law upon the basis of an Army of 280,000 men.

Mr. MCKENZIE. The gentleman is entirely mistaken. I do not know where he gets those figures.

Mr. STAFFORD. I was in error by saying "based on an Army of 280,000 men." I should correct that by saying of the men that were in those classes on June 30, 1922.

Mr. MCKENZIE. The gentleman is entirely mistaken about that.

Mr. STAFFORD. Let me see whether I am mistaken, and if I am in error I wish to be corrected. The gentleman says that this bill is important. I agree with him. I take it it is too important to be considered on Unanimous-Consent Calendar, and should not be considered under suspension of the rules, because no opportunity would be given to amend the law, and it should be amended. What are the figures as given to me by a member of the Army staff?

On June 30, 1922, in the first grade of enlisted noncommissioned officers, master sergeants they are called, there were 1,277 men; in the second grade, technical or first sergeants, 3,129 men; in the third grade, staff sergeants, 2,663 men—a total of 7,069 men. If I am in error as to those figures I wish to be corrected, because upon that I base my statement. Under this bill it is proposed to have 992 in the first grade, 2,582 in the second grade, 4,229 in the third grade, or a total of 7,803. If I am in error as to that statement, that this bill will provide more of these noncommissioned officers in these three higher grades than they had in the service on June 30 last, I wish to be corrected.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield to me?

Mr. MCKENZIE. Yes.

Mr. GREENE of Vermont. Will the gentleman from Wisconsin yield?

Mr. STAFFORD. Yes. I am seeking information or a correction of any error that I may be laboring under.

Mr. GREENE of Vermont. The way the gentleman phrased it I thought he intended it to be an argument.

Mr. STAFFORD. I intended it to be both a question and an argument. I am appealing to the open mind of the Members of the House.

Mr. GREENE of Vermont. The gentleman is doing it well; he is building it up with something that they do not need to consider if they pass on the merits of the bill. That is why I want to see if we can not get an idea in here that is not contemplated in the gentleman's argument. The fact is that this bill is not based on any proposition for the tactical organization of the Army, in numbers, for field strength or operation, either the present existing force or one that may be contemplated. These men in the noncommissioned offices of higher grades, like the commissioned officers, are not grouped by numbers fitting to the tactical organization now existing in the Army but for the special work that the Army is required as a military institution to do throughout the country at large in conducting that part of the plans for national defense and popular instruction in military science not related to the mere tactical organization of any army in garrison or in the field.

Mr. STAFFORD. I am still waiting for some explanation.

Mr. GREENE of Vermont. That is the explanation.

Mr. STAFFORD. These numbers as provided in this bill would increase the three higher classes by over 700.

Mr. GREENE of Vermont. Those numbers do not relate to the strength of the Army. The policy is entirely different.

Mr. MCKENZIE. I think I can make plain to the gentleman from Wisconsin that under the Army reorganization law we provided for certain grades in the Army and that there should be a certain percentage of noncommissioned officers in the various grades. When we passed that law we provided that the maximum enlisted strength of the Army should not exceed 280,000. The Secretary of War held that the language was not a limitation, but it was mandatory, and he began immediately to have the Army enlisted up to the full authorized strength of 280,000, which was not the intent of Congress; but the Army, in order to carry out that program, promoted into

these various grades numbers of officers far in excess of what we have at the present time or what is contemplated by this bill. Then Congress took action and provided that we should not enlist beyond 175,000 men. When that act was passed by Congress the War Department immediately ceased promoting noncommissioned officers into these various grades. Then we cut the Army to 150,000. Then we cut it down again to 125,000, in which the gentleman from Wisconsin was very largely instrumental and exercised a good deal of influence in his argument—as I say, we cut the Army to 125,000. Now, to carry out the percentages provided for in the original act we would have had perhaps a sufficient number of noncommissioned officers to handle the technical force, to take care of the ordnance depots, to take care of the flying machines and air service, to take care of the Signal Corps, and furnish the necessary noncommissioned officers of the several grades to go into the schools of the country and—

Mr. FIELDS. And for the National Guard.

Mr. McKENZIE. Yes; for the National Guard. But, as my colleague from Vermont said, to bring those percentages down exactly to what it would have been for the Army of 125,000 is to my mind ruinous to the Army, not only so far as the Army is concerned but to the schools where we send these young men of higher grades than the fourth. The great increase in this bill is in the third grade. As the gentleman well knows, in the first grade we have more noncommissioned officers now in this grade than this bill will provide for. This bill will require the demotion of 680 men, and in doing this I can not help but think of the Navy in comparison when we permit them to have their thousands in those grades.

Mr. STAFFORD. Why the necessity for increasing the three higher grades to nearly 750 more than what was in the service June 30 last before there became effective the limitation of 125,000 men in the Army?

Mr. McKENZIE. Those officers were in the service.

Mr. STAFFORD. In lower grades, it is true.

Mr. McKENZIE. No; in these higher grades.

Mr. STAFFORD. The gentleman does not challenge the statement I made on which I predicate my argument, and I again repeat that on June 30—not July 1—1922, before the enlisted strength of 125,000 became effective, there were in the master sergeant's grade 1,277. There were in the second or technical or first sergeants' grade 3,129. There were in the third or staff sergeants' grade 2,863, or a total of 7,069. I hope my mathematics are correct. Now, you are proposing by this bill in those three grades a total number of 7,803, and I want to have some explanation of increasing this force by nearly 750.

Mr. McKENZIE. I do not know where the gentleman got his figures. But there is one thing certain this bill does not increase the noncommissioned officers in the Army but is a decrease in the number.

Mr. STAFFORD. It does increase the numbers of these three higher grades.

Mr. McKENZIE. Here is where the gentleman is disturbed and confused. Under the percentage basis in the Army reorganization law it is true there would be an excess, but the fact is we commissioned these men, they have been promoted, they are now being carried as surplus and have been carried as surplus.

Mr. STAFFORD. No; that is no explanation at all. That is not the fact and the gentleman can not escape the logic of my figures furnished to me by an officer of the Army Staff that on June 30 in these three higher grades there were 7,069, and under the bill as proposed, according to the gentleman's report, there will be 7,803, or nearly 800 more men in those higher grades at much higher salaries than now being paid.

Mr. McKENZIE. I will admit to the gentleman from Wisconsin that there will be an increase in the three higher grades by adopting the percentages provided for in this bill over the old percentages, but there will not be an increase in the number of officers now in these grades.

Mr. STAFFORD. The gentleman is challenging the figures that were furnished me by an officer of the General Staff. If I am not correct in the statement I have made I am not at fault. If I am in error I want to be corrected. I am acting in good faith, in absolute good faith. I am accepting the figures furnished me by the Army Staff. I suggest that the gentleman ask that the bill be passed for a few minutes and that in the meantime he call up the Army Staff and find out the facts. If I am in error I will withdraw my opposition. Nothing could be fairer than that.

Mr. McKENZIE. Have you the report there?

Mr. STAFFORD. I have the statistical report.

Mr. BLANTON. Mr. Speaker, I ask for the regular order.

Mr. STAFFORD. If the gentleman does not wish to move that it be passed over, I will have to object.

Mr. McKENZIE. If the gentleman wants to object I will leave it up to him. It is his responsibility.

The SPEAKER. Objection is made. The Clerk will report the next bill.

EXTENSION OF JURISDICTION OF MISSISSIPPI RIVER COMMISSION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13459) extending the jurisdiction of the Mississippi River Commission and making available funds appropriated under authority of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, for the purpose of controlling the floods of the Mississippi River from the mouth of the Ohio River to Rock Island, Ill., and for the purpose of controlling the floods of the tributaries of the Mississippi River between the mouth of the Ohio River and Rock Island, Ill., including levee protection and bank protection, in so far as said tributaries are affected by the flood waters of the Mississippi River.

The title of the bill was read.

Mr. KOPP. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. The gentleman from Iowa asks unanimous consent that this bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

AUDITOR AND DEPUTY AUDITOR, PHILIPPINE ISLANDS.

The next business on the Calendar for Unanimous Consent was the bill (S. 3617) to fix the salaries of the auditor and deputy auditor of the Philippine Islands.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think we should not at this time, at least not to-day, increase the permanent salaries of these officers. I ask unanimous consent that this bill go over for two weeks without prejudice.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that this bill be passed over for two weeks without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

CLERKS TO MEMBERS OF CONGRESS AND DELEGATES.

The next business on the Calendar for Unanimous Consent was the resolution (H. J. Res. 16) providing for pay to clerks to Members of Congress and Delegates.

The title of the resolution was read.

Mr. BLANTON. Mr. Speaker, can we have this resolution reported?

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 16) providing for pay to clerks to Members of Congress and Delegates.

Resolved, etc., That hereafter appropriations made by Congress for clerk hire for Members, Delegates, and Resident Commissioners shall be paid by the Clerk of the House of Representatives to one or two persons to be designated by each Member, Delegate, or Resident Commissioner, the names of such persons to be placed upon the roll of employees of the House of Representatives, together with the amount to be paid each; and Representatives, Delegates, and Resident Commissioners elect to Congress shall likewise be entitled to make such designations: *Provided,* That such persons shall be subject to removal at any time by such Member, Delegate, or Resident Commissioner with or without cause.

Mr. BLANTON. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois a question?

Mr. IRELAND. Certainly.

Mr. BLANTON. In what respect does this change the present law?

Mr. IRELAND. It makes no change whatever. I believe I have the floor, Mr. Speaker?

The SPEAKER. Yes.

Mr. IRELAND. It simply makes permanent law out of the present arrangement. Through an error in drawing the original bill passed in the Sixty-sixth Congress the present arrangement was not made permanent law. It simply continues in effect our present arrangement without any possibility of its being deviated from in the future or the necessity of a new bill being brought in covering the subject.

Mr. BLANTON. Now, if this becomes permanent law and, say, there is a death among any of the clerks or employees, would this be placing him on the roll permanently? Would this pay the usual six months' salary to his relatives and the \$250 funeral expenses?

Mr. IRELAND. If I may anticipate his thought, I think the gentleman is under a misapprehension, because that already obtains. This would not in any way affect that.

Mr. BLANTON. But it makes it permanent law?

Mr. IRELAND. Yes.

Mr. BLANTON. It does not change their present remuneration in any way?

Mr. IRELAND. No.

Mr. ANDREWS of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. IRELAND. Yes.

Mr. ANDREWS of Nebraska. This would simply avoid the necessity of passing upon this same question time after time and year after year, making it permanent?

Mr. IRELAND. That very tersely and exactly expresses the situation.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. IRELAND, a motion to reconsider the vote whereby the resolution was passed was laid on the table.

The SPEAKER. The Clerk will report the next bill.

BRIDGE ACROSS LITTLE CALUMET RIVER, ILL.

The next business on the Calendar for Unanimous Consent was the bill (S. 4031) to authorize the construction of a bridge across the Little Calumet River, in Cook County, State of Illinois, at or near the village of Riverdale, in said county.

The title of the bill was read.

The SPEAKER. Is there objection to the consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc. That the State of Illinois, the county of Cook, or the city of Chicago, separately or jointly, its successors and assigns, be, and they are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Little Calumet River at a point suitable to the interests of navigation at or near the village of Riverdale, in Cook County, Ill., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

BRIDGE ACROSS KANKAKEE RIVER, ILL.

The next business on the Calendar for Unanimous Consent was the bill (S. 4032) granting the consent of Congress to the State of Illinois, department of public works and buildings, division of highways, to construct, maintain, and operate a bridge and approaches thereto across the Kankakee River, in the county of Kankakee, State of Illinois, between section 5, township 30 north, and section 32 township 31 north, range 13 east of the third principal meridian.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc. That the consent of Congress is hereby granted to the State of Illinois, department of public works and buildings, division of highways, to construct, maintain, and operate a bridge and approaches thereto across the Kankakee River, in the county of Kankakee, State of Illinois, between section 5, township 30 north, and section 32, township 31 north, range 13 east of the third principal meridian in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

BRIDGE ACROSS KANKAKEE RIVER, ILL.

The next business on the Calendar for Unanimous Consent was the bill (S. 4033) granting the consent of Congress to the State of Illinois, department of public works and buildings, division of highways, to construct, maintain, and operate a bridge and approaches thereto across the Kankakee River, in the county of Kankakee, State of Illinois, between section 6, township 30 north, and section 31, township 31 north, range 12 east of the third principal meridian.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc. That the consent of Congress is hereby granted to the State of Illinois, department of public works and buildings, division of highways, to construct, maintain, and operate a bridge and approaches thereto across the Kankakee River, in the county of Kankakee, State of Illinois, between section 6, township 30 north, and section 31, township 31 north, range 12 east of the third principal meridian, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

BRIDGE ACROSS ST. FRANCIS RIVER, MO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13195) granting the consent of Congress to the State highway commission of Missouri, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the St. Francis River, in the State of Missouri.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc. That the consent of Congress is hereby granted to the State highway commission of Missouri and its successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the St. Francis River, at a point on the county line between Butler and Dunklin Counties, on the south line of section 3, township 22 north, range 8 east, in the State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906. Such bridge shall be a part of Federal aid project No. 212.

Sec. 2. That the right to alter, amend, or repeal this act is expressly reserved.

With the following committee amendments:

Page 1, line 7, after the word "point," insert the words "suitable to the interests of navigation."

Page 2, line 3, after the figures "1906" strike out the words "such bridge shall be a part of Federal-aid project No. 212."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

BRIDGE ACROSS COLORADO RIVER, YUMA, ARIZ.

The next business on the Calendar for Unanimous Consent was the bill (S. 4069) to authorize the construction of a railroad bridge across the Colorado River near Yuma, Ariz.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc. That the Southern Pacific Railroad Co., a corporation of the States of California, Arizona, and New Mexico, its successors and assigns, be, and it is hereby, authorized to construct, maintain, and operate a railroad bridge and approaches thereto across the Colorado River, at a point suitable to the interests of navigation, between School Hill, in the Yuma Indian Reservation, in Imperial County, State of California, and Penitentiary Hill, in the town of Yuma, Yuma County, State of Arizona, such bridge to be upstream and easterly from the present highway bridge across the Colorado River between said points, and to be constructed and maintained in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. HAYDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS BIG SIOUX RIVER, S. DAK.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13000) granting the consent of Congress to the city of Sioux City, Iowa, and to Union County, in the State of South Dakota, to construct, maintain, and operate a bridge and approaches thereto across the Big Sioux River at a point 2½ miles north of the mouth of said river, between section 14, township 89, range 48, Woodbury County, Iowa, and section 15, township 89, range 48, Union County, S. Dak.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, I wish to direct attention to the fact that under the phraseology of this bill the bridge will have to be erected at a point exactly 2½ miles north of the mouth of said river. I assume that that is not intended, but that it is intended to authorize the construction of a bridge at any convenient near-by point. So if it meets with the approval of the author of the bill or of the committee, I move to insert the word "about" after the word "point."

Mr. MILLER. "At or near."

Mr. STAFFORD. Mr. Speaker, my attention is called to the fact that the Senate bill S. 4131, which has been messaged over to the House, contains the exact phraseology that I have suggested, and therefore I withdraw the reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. STAFFORD. I ask unanimous consent to substitute S. 4131 and consider it in the place of H. R. 13000.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to substitute the Senate bill S. 4131 for the House bill H. R. 13000. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The bill was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the city of Sioux City, Iowa, and to Union County, in the State of South Dakota, to construct, maintain, and operate a bridge and approaches thereto across the Big Sioux River at a point about 2½ miles north of the mouth of said river, between section 14, township 89, range 48, Woodbury County, Iowa, and section 15, township 89, range 48, Union County, S. Dak., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

The SPEAKER. Without objection, the title will be amended to conform to the amendment which has just been adopted to the text of the bill.

There was no objection.

By unanimous consent H. R. 13000 was laid on the table.

SILVER SERVICE ON BATTLESHIP "SOUTH CAROLINA."

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13351) authorizing the Secretary of the Navy, in his discretion, to deliver to the Daughters of the American Revolution of the State of South Carolina the silver service which was used upon the battleship *South Carolina*.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized, in his discretion, to deliver to the custody of the Daughters of the American Revolution of the State of South Carolina, for preservation and exhibition, the silver service which was presented by the State of South Carolina and used upon the battleship *South Carolina* while the said battleship was in commission: *Provided*, That no expense shall be incurred by the United States for the delivery of such silver service.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. BYRNES of South Carolina, a motion to reconsider the vote by which the bill was passed was laid on the table.

DAM ACROSS RED RIVER OF THE NORTH.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 12777) granting the consent of Congress to the cities of Grand Forks, N. Dak., and East Grand Forks, Minn., or either of them, to construct, maintain, and operate a dam across the Red River of the North.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the cities of Grand Forks, N. Dak., and East Grand Forks, Minn., or either of them, to construct, maintain, and operate, at a point suitable to the interests of navigation, a dam across the Red River of the North at or near the cities of Grand Forks, N. Dak., and East Grand Forks, Minn.: *Provided*, That the work shall not be commenced until the plans therefor have been filed with and approved by the Chief of Engineers, United States Army, and by the Secretary of War: *Provided further*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity.

Sec. 2. That this act shall be null and void unless the actual construction of this dam hereby authorized is commenced within two years and completed within four years from the date hereof.

Sec. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. BURTNESS, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS THE RED RIVER OF THE NORTH.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13271) granting the consent of Congress to the State of North Dakota and the State of Minnesota, the county of Pembina, N. Dak., and the county of Kittson, Minn., or any one of them, to construct a bridge across the Red River of the North at or near the city of Pembina, N. Dak.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BURTNESS. Mr. Speaker, I ask unanimous consent that the Senate bill S. 4133, which passed the Senate December 22, be substituted for this bill.

The SPEAKER. The gentleman from North Dakota asks unanimous consent that the Senate bill be substituted for the House bill. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of North Dakota and the State of Minnesota, the county of Pembina, N. Dak., and the county of Kittson, Minn., or any one of them, to construct, maintain, and operate a bridge and approaches thereto across the Red River of the North at a point suitable to the interests of navigation at or near the city of Pembina, N. Dak., and that the time for the commencement and completion of such bridge, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, shall be commenced within one year and completed within three years, respectively, from the date of approval hereof.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. BURTNESS. Mr. Speaker, in order to make the bill conform to the report made by the House committee, I move to amend by eliminating the word "one" where it appears in the phrase "or any one of them."

The SPEAKER. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 6, strike out the word "one."

The amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

Mr. BURTNESS. Mr. Speaker, a similar change should be made in the title of the bill.

The SPEAKER. Without objection, the title will be amended to conform to the amendment adopted to the text.

There was no objection.

On motion of Mr. BURTNESS, a motion to reconsider the vote by which the bill was passed was laid on the table.

SAGINAW, SWAN CREEK, AND BLACK RIVER BAND OF CHIPPEWA INDIANS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 3184) to amend an act entitled "An act for the relief of the Saginaw, Swan Creek, and Black River Band of Chippewa Indians in the State of Michigan, and for other purposes," approved June 25, 1910.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I think the House should have some information as to this bill, and particularly as to the reason why the claims have not been prosecuted in the Court of Claims before this. As I read the bill and the report, it increases the maximum that they may be allowed for attorney fees.

Mr. BLANTON. Mr. Speaker, as I am going to object, I will object now.

Mr. WOODRUFF. Mr. Speaker, I will ask the gentleman from Texas to reserve his objection for a moment.

Mr. BLANTON. I have no objection to the gentleman's asking to retain the bill in its place on the calendar.

Mr. WOODRUFF. I would like to give the House some information in regard to it.

Mr. BLANTON. I took it for granted that the gentleman from Wisconsin [Mr. STAFFORD] was going to object.

Mr. STAFFORD. I did not say that I was going to object.

Mr. BLANTON. Well, Mr. Sepaker, I will reserve the objection.

Mr. WOODRUFF. Mr. Speaker, the information which the gentleman from Wisconsin wishes I think I can supply. These Indians which this bill seeks to relieve are residents of my district, and I know the circumstances very well. I will say that since the act of 1910 was passed they have been trying to find some competent Indian attorney who would take the case on the terms offered in the bill, which was a maximum fee of \$10,000, but were unable to do so. We have had a long conference with the Indian Affairs Commissioner, who has agreed to the provisions of the bill as presented here. The bill as it is written provides that the claim must be filed within three years. Further, the bill permits the Court of Claims to fix the amount to be paid to the attorneys in the case, but limits it in any event to \$25,000.

Mr. STAFFORD. How many of these Indians still survive?

Mr. WOODRUFF. Several hundred.

Mr. STAFFORD. Do they live in tribal relations?

Mr. WOODRUFF. No; they are all law-abiding, self-respecting citizens of the United States.

Mr. STAFFORD. What is the nature of their claims?

Mr. WOODRUFF. The claims arose when they lived under tribal relations.

Mr. STAFFORD. What is the nature of the claims?

Mr. WOODRUFF. It is for the nonfulfillment of contracts entered into with the United States Government.

Mr. STAFFORD. What is the total amount of the claims?

Mr. WOODRUFF. I do not know.

Mr. STAFFORD. It would amount to more than \$250,000?

Mr. WOODRUFF. I should think it would be very much more than that.

Mr. STAFFORD. Have they any other claims against the Government?

Mr. WOODRUFF. Not to my knowledge.

Mr. STAFFORD. These old, musty claims should not be revived; but if they have any real claims against the Government, they ought to be given an opportunity to establish them.

Mr. WOODRUFF. I quite agree with the gentleman, and for that reason introduced this bill.

Mr. STAFFORD. Mr. Speaker, the statement of the gentleman from Michigan that they were unable to get a competent attorney to look after their rights is a satisfactory explanation in answer to my inquiry, and I withdraw my reservation of an objection.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of June 25, 1910, entitled "An act for the relief of the Saginaw, Swan Creek, and Black River Band of Chippewa Indians in the State of Michigan, and for other purposes," be, and hereby is, amended so as to read as follows:

"SEC. 2. That upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to decree the fees to be paid to the attorney or attorneys employed by the Saginaw, Swan Creek, and Black River Band of Chippewa Indians, and the same shall be paid out of any sum or sums found due the said band of Indians."

With the following committee amendment:

Strike out all of section 2 of the bill and insert in lieu thereof the following:

"That any suit or suits under this act shall be begun within three years after passage hereof by the filing of a petition to be verified by the attorney or attorneys employed by the claimant Indians under contract approved by the Secretary of the Interior and the Commissioner of Indian Affairs, in accordance with existing law. The compensation to be paid such attorney or attorneys shall be determined by the Court of Claims and shall not exceed the sum of 10 per cent of the amount of the judgment recovered, and in no event shall such fee or fees exceed the sum of \$25,000, and the same shall be paid out of any sum or sums found to be due the Indians."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

JUDICIAL DISTRICTS, STATE OF INDIANA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 8573) to create two judicial districts within the State of Indiana, the establishment of judicial divisions therein, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STEVENSON. Reserving the right to object, it seems to me that as we have just had a reorganization of the judicial districts of the country and added some 25 judges, I do not understand if this was a pressing case why it was not provided for in that instance. I should like to look into the matter if the gentleman will let it go over until the next unanimous-consent day.

Mr. HICKEY. Mr. Speaker, I think after the gentleman hears the explanation he will not object to it. The reason this was not included in the Walsh bill was in order that we might establish a judicial code, so to speak, for the State of Indiana, have the State divided into districts and also into divisions. It was felt that to include this bill in the regular bill might possibly complicate the matter to some extent. At this time Indiana has but one judge and one judicial district. Its population is about 3,000,000 people. It is the tenth largest State in point of population in the United States and the eleventh so far as resources are concerned. It is a State with a great many railroads. Nearly every railroad that enters Chicago from the East crosses its surface. Under the present system, established in 1838, we have but one judge and one district.

The people residing in the northern part of the State, which is densely populated, and which has a large number of industrial concerns and a great many interests of various kinds, must go to Indianapolis, a distance of more than 150 miles, with all of their litigation, whether it be important or trivial. The purpose of this bill is to correct that situation. I also call his attention, and the attention of the Members of the House, to the fact that other States have been amply provided for, including the State of the gentleman from South Carolina, with judicial facilities. In his State, which has a population of 1,683,724, there are two judges and two districts. In Alabama, with a population of 2,384,174, there are three judges and three districts, and I might go on and enumerate in each State the provisions that have been made to take care of the Federal business of the State. Taking the northern part of Indiana, I call attention to the fact that located there are the great steel industries, the Studebaker automobile manufacturing concern, the Oliver Chill Plow Co., and other large interests. In a very small territory we have more than 600,000 population, which is two districts.

Mr. TILSON. Will the gentleman explain why this additional judge was not included in the judges bill that we passed at the last session of Congress?

Mr. HICKEY. Yes; because the additional judge would do us no good unless we had the State divided into districts and divisions. We would then be compelled, as we are now, to go to Indianapolis with all of our Federal law matters.

Mr. TILSON. Was Indiana put in as one of the States that needed an additional judge?

Mr. HICKEY. Indiana was not included in that bill, but this bill was considered by Mr. WALSH, as chairman of the subcommittee, who had charge of the other bill, and was considered by the judicial committee, and a unanimous report was made to this House after the passage of the other bill.

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HICKEY. Yes.

Mr. PARKER of New Jersey. Is the gentleman from Indiana [Mr. MOORES] in favor of this bill?

Mr. HICKEY. Mr. MOORES, I dare say, is opposed to the bill. He lives in Indianapolis, and I dare say he is opposed to the bill.

Mr. PARKER of New Jersey. It seems to me that he ought to be here when the bill is considered.

Mr. HICKEY. The bill has been on the calendar for some time.

Mr. PARKER of New Jersey. He has just left the Foreign Affairs Committee. I have been trying to find out where he is. I think the gentleman better ask to have the bill go over without prejudice, else I shall have to object.

Mr. STEVENSON. That is the situation which I mean. I do not care anything about it myself, but I ask not to let it be passed because the gentleman wanted to be heard about it. I have no objection to the bill being passed over without prejudice, but unless that can be done I shall object to its consideration.

Mr. HICKEY. Then, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. The gentleman from Indiana asks unanimous consent to pass the bill over without prejudice. Is there objection?

There was no objection.

BOARD OF REGENTS, SMITHSONIAN INSTITUTION.

The next business on the Calendar for Unanimous Consent was S. J. Res. 258, providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to ask some member of the Committee on the Library who Mr. Irwin B. Laughlin is, whom it is intended to

appoint in place of the late Alexander Graham Bell. As no one seems to be here from that committee, I ask unanimous consent that the resolution may be passed over without prejudice.

The SPEAKER. Is there objection?
There was no objection.

PUNISHMENT OF ASSAULT ON MAIL CARRIERS.

The next business on the Calendar for Unanimous Consent was the bill S. 2573, to amend section 198 of the act of March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States, as amended."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I notice in examining the statute which was in force before the amendments of May 18, 1915, and July 28, 1916, which this bill seeks to reincorporate, that instead of its being "shall willfully or maliciously assault" it was "and maliciously assault." There is a great difference in respect to the crime of assault, if it be willful without cause or provocation, and if it be willful and malicious. Can any gentleman from the Committee on the Post Office furnish some information as to whether that is intentional or not?

I hear no response, and under the circumstances, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that this bill be passed over without prejudice. Is there objection? [After a pause.] The Chair hears none.

PINEY BRANCH ROAD.

The next business on the Calendar for Unanimous Consent was the bill (S. 1066) to authorize the Commissioners of the District of Columbia to close Piney Branch Road between Seventeenth and Taylor Streets and Sixteenth and Allison Streets NW., rendered useless or unnecessary by reason of the opening and extension of streets called for in the permanent highway plan of the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

BRIDGE ACROSS THE ESCAMBIA RIVER NEAR FERRY PASS, FLA.

The next business in order on the Unanimous-Consent Calendar was the bill (H. R. 13493) to authorize the State Road Department of the State of Florida to construct, maintain and operate a bridge across the Escambia River near Ferry Pass, Fla.

The SPEAKER. Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That authority is hereby granted to the State Road Department of the State of Florida, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Escambia River, Fla., and its tributaries, between Pensacola and Milton, near Ferry Pass, Fla., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The committee amendment was read, as follows:

Page 1, line 7, after the word "Florida," insert the words "at a point suitable to the interests of navigation."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. SMITHWICK, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS THE GREAT PEE DEE RIVER, SOUTH CAROLINA.

The next business in order on the Calendar for Unanimous Consent was the bill (S. 4172) to authorize the building of a bridge across the Great Pee Dee River in South Carolina.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the counties of Marlboro and Darlington be, and they are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Great Pee Dee River at a point suitable to the interests of navigation and at or near Society Hill, in Darlington County, S. C., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read the third time, was read the third time, and passed.

EXTENSION OF REMARKS.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on H. R. 3184.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none.

BRIDGE ACROSS ROCK RIVER AT ROCKFORD, ILL.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13474) granting the consent of Congress to the county of Winnebago, the town of Rockford, and the city of Rockford, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Winnebago, the town of Rockford, and the city of Rockford, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, at a point suitable to the interests of navigation, on the extension of Auburn Street in said city of Rockford, and in section 13, township 44 north, range 1 east, of the third principal meridian, in the county of Winnebago and State of Illinois, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. HILL. Mr. Speaker, I move to strike out the last word for the purpose of asking unanimous consent to address the House out of order for 10 minutes.

The SPEAKER. The gentleman from Maryland asks unanimous consent to address the House out of order for 10 minutes. Is there objection?

Mr. SANDERS of Indiana. May I inquire upon what subject?

Mr. HILL. On the subject of the recent reflections upon the House of Representatives in reference to certain charges.

Mr. SANDERS of Indiana. I have no objection.

The SPEAKER. Is there objection?

Mr. DOWELL. Mr. Speaker, I object.

The SPEAKER. Objection is made by the gentleman from Iowa.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. FULLER, a motion to reconsider the vote by which the bill was passed was laid on the table.

APPOINTMENT OF MANAGERS OF THE NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

The next business on the Calendar for Unanimous Consent was a joint resolution (H. J. Res. 261) for the appointment of three members of the board of managers of the National Home for Disabled Volunteer Soldiers.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution? [After a pause.] The Chair hears none.

The Clerk read as follows:

Resolved, etc., That James W. Wadsworth, of New York; H. H. Markham, of California; and W. S. Albright, of Kansas, be, and they are hereby, appointed members of the Board of Managers of the National Home for Disabled Volunteer Soldiers of the United States, to succeed James W. Wadsworth, of New York; H. H. Markham, of California; and W. S. Albright, of Kansas, whose terms of office expire April 21, 1922.

The House joint resolution was ordered to be engrossed and read the third time, was read the third time, and passed.

BRIDGE ACROSS THE MISSISSIPPI RIVER, ST. PAUL, MINN.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 13511) granting the consent of Congress to the city of St. Paul, Minn., to construct a bridge across the Mississippi River.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the city of St. Paul, Minn., and its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at a point suitable to the interests of navigation at or near the point where Robert Street, in said city of St. Paul, crosses the Mississippi River, in the county of Ramsey, in the State of Minnesota, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. NEWTON of Minnesota, a motion to reconsider the vote by which the bill was passed was laid on the table.

SETTING ASIDE CERTAIN LANDS, QUINAULT INDIAN RESERVATION, WASH., FOR LIGHTHOUSE PURPOSES.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 11475) to authorize the setting aside of certain tribal lands within the Quinault Indian Reservation in Washington for lighthouse purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I have no objection to this bill being considered, but do not waive the right to have it considered in the Committee of the Whole House on the state of the Union.

The SPEAKER. The Chair understands that the gentleman wishes this considered in the Committee of the Whole House? Is there objection to the consideration of this bill in the Committee of the Whole House on the state of the Union? [After a pause.] The Chair hears none.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11475, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11475, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 11475) to authorize the setting aside of certain tribal lands within the Quinault Indian Reservation in Washington for lighthouse purposes.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HILL. Mr. Chairman, I demand recognition.

The CHAIRMAN. The gentleman from Maryland is recognized for one hour.

Mr. LINTHICUM. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Maryland rise?

Mr. LINTHICUM. I make the point of order there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety gentlemen are present—

Mr. SANDERS of Indiana. I move that the committee rise, and on that I ask for tellers.

Tellers were ordered.

The committee again divided; and the tellers (Mr. SANDERS of Indiana and Mr. LINTHICUM) reported that there were—ayes 2, noes 102. So the committee refused to rise.

The CHAIRMAN. A quorum of the committee is present.

Mr. HILL. Mr. Chairman and gentlemen of the committee—

Mr. STEVENSON. Mr. Chairman, I rise for information. I want to propound a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Maryland yield for that purpose?

Mr. HILL. Not until later.

Mr. STEVENSON. I would like to find out upon what this whole discussion is to be had.

The CHAIRMAN. In the opinion of the Chair, that is not a parliamentary inquiry. [Laughter.]

Mr. HILL. Mr. Chairman and gentlemen of the committee, I shall be very glad to be interrupted for questions after presenting this matter to the House, but I should prefer not to yield until after I have gone over the matters which I wish to present to you.

Mr. Chairman and gentlemen, the reverend and learned Cotton Mather, D. D., writing the church history of New England in 1696, made some observations which are very pertinent and relevant to the situation existing at the present time in this House. Said he:

In the year 1654 a certain windmill in the low countries, whirling round with extraordinary violence, by reason of a violent storm then blowing, the stone at length by its rapid motion became so intensely hot as to fire the mill, from whence the flames, being dispersed by the high winds, did set a whole town on fire. But I can tell my reader that about 20 years before this there was a whole country in America like to be set on fire by the rapid motion of a windmill in the head of one particular man. * * * Who, being a preacher that had less light than fire in him, both by his own sad example, preached unto us the danger of that evil which the apostle mentions in Romans x: 2. They have a zeal, but not according to knowledge.

Nearly 300 years after the events recorded by Doctor Mather, to be exact, on December 20, 1922, and again on January 9,

1923, the Hon. Mr. UPSHAW, of Georgia, a Member of this House, made certain charges against Members of this House, against Senators of the United States, against governors of the sovereign States, and others upon whom the responsibility of American government rests, the character of those charges being clearly described in the following words of the Columbia Sentinel, the paper of the late Senator Thomas E. Watson. I quote the exact words of an editorial in that paper as presented to this House last week. In an address by the gentleman from Georgia [Mr. UPSHAW] these are the words of the late Senator Watson's editorial in his paper, the spirit of Senator Watson still speaking through that paper:

UPSHAW'S advice to the men "higher up" is good sense, sound law, and wholesome honesty. If public officials themselves violate one of our laws, what right have they to jail the average man for committing the same sin?

Mr. UPSHAW'S charge is not a mere exhortation to Christmas piety. It is a definite charge, and it is made as a definite charge, and it has gone throughout the whole United States as a charge that we Members of Congress violate the laws that we are sworn to defend. These charges, gentlemen of the House, are not charges which should be broadcasted over the United States unchallenged. The time has come, my colleagues, when we should consider the position of this House in reference to criticisms that are made throughout the Nation. Proper criticism is right; but we should resent criticism that is not based on facts. I repeat, gentlemen, these charges are not charges that should be broadcasted over the United States unchallenged. I might say in passing that I telephoned to the office of Mr. UPSHAW this morning and said I proposed to take up this matter as soon as possible.

On January 9 the gentleman from Georgia [Mr. UPSHAW] said here in this House concerning his charge of December 20:

When I made that innocent and well-intentioned little speech only 13 minutes long, I did not dream that it would carry its honest message in flaming headlines on the front page of nearly every great daily and country paper in America.

That is the estimation by the gentleman from Georgia of what he has done in his little 13-minute speech. And the gentleman from Georgia gloated over the fact that his "message in flaming headlines" had branded you and me, Members of this House, indiscriminately as hypocrites and violators of the laws made by this House for the Government of this Nation.

I wonder where the gentleman from Georgia got those words, "Message in flaming headlines"? Was he thinking of a flaming cross on a Mer Rouge (La.) hilltop?

They made me think of Cotton Mather's human windmill; and they made me think of other reflections of Cotton Mather relating to that same human windmill.

Cotton Mather said:

And that which increased in them the suspicion of his ill character was partly, indeed, his refusing to communicate with the church of Boston * * * which the New England reformers thought then would be to carry the matter as far beyond their sense as the vulgar translation has done to the text of Luke 15: 8, where, instead of "everit domum," she swept the house, it reads "everit domem," or she overset it.

I think the gentleman from Georgia in trying to sweep the house of prohibition has helped to "overset it," for if, as he says, governors, Members of Congress, Senators, and other high officials deride the eighteenth amendment and violate the Volstead Act, certainly that shows that the American people, who elect these same high officials, consider the Volstead Act as a joke. If they did not, would they elect such law-violating officials?

So the gentleman from Georgia has raised an upsetting dilemma. If his flaming charges are true, the Volstead Act, being obsolete to the Nation's high officials, should be repealed. If his charges are not true, he should admit that with more zeal than knowledge he has branded you and me as lawbreakers.

But, in the words of Cotton Mather, I can tell my hearers that about 30 years ago the whole of America was likely to be set on fire by the rapid motion of a windmill in the head of one particular man, the Hon. Thomas E. Watson, of Georgia, a Member of this House. He made general charges against the Members of this House, which I read into the RECORD on December 30, 1922. The House found he had spoken with more zeal than knowledge and that his charges "constituted an unwarranted assault upon the honor and dignity of the House and that such publication has the unqualified disapproval of the House."

I ask your especial attention to this, because these words which I shall read to you are not the words of an exhorter calling you from the illicit practices which in his opinion are being pursued, but they are from a man who specifically charges that you Members of the House of Representatives violate the laws.

I have followed the Watson case in a resolution, which I shall read to you, as follows:

Whereas in a newspaper release of December 20, 1922, purporting to have been written by Hon. WILLIAM DAVID UPSHAW, of Georgia, a Member of the House of Representatives, the following charges appeared:

"The people—the plain people—have cumulative evidence"—

Evidence is not testimony. Evidence is that which convicts—"that some of these 'conferring' governors and many other high officials do not practice the prohibition enforcement which they preach to others."

"Let these governors, led by the President and Vice President of the United States and all the Members of the Cabinet, walk out in the open and lift their hands before high heaven and take a new oath of allegiance to the whole Constitution and the American flag; let them sacredly declare that, regardless of what their tastes and practices have been, they will never again—"

My colleagues, you can not take an oath never again to do a thing unless you admit you have previously done it—they will never again—

And here is what you are charged with all through the headlines, as the gentleman from Georgia [Mr. UPSHAW] boasts, of every paper throughout this country in flaming messages of fire. Here is what you are charged with—

they will never again build up a bootlegger's barbarous business by drinking any form or any amount of illicit liquors—

There is such a thing in this world, thank heaven, at the present time, as legal and licit liquor, but this is about illicit liquor—

at any dinner or any function or in any "ballroom or back alley." Let every Member of Congress and every United States Senator follow suit: and

Whereas the said Hon. WILLIAM DAVID UPSHAW, on December 20, 1922, reiterated the same on the floor of the House; and

Whereas, in a newspaper release, on January 9, 1923, reiterated the same day on the floor of the House, the following additional charges were made by the said Mr. UPSHAW:

"And as for Members of this House, God knows I find no pleasure in this disclosure, but the bright daughter of one of the best men in Congress said to me: 'We are with you. I wish you could stop liquor selling and drinking in this House Office Building.'"

And liquor selling is a violation of more than one law in the District of Columbia—

I wish you could stop liquor selling and drinking in this House Office Building.

In other words, that building, which has been erected by the Nation in order that we may do our work, is being slandered as being the temple of illicit buying and selling of liquor.

And here is a signed letter that says:

_____ a professional bootlegger, told me a year ago, "The House Office Building furnishes my best customers, and as long as those 'blankety-blanks'—"

My colleagues, he is referring to you and me. Those are the words of Brother UPSHAW, quoting his bootlegger, and not my words. Says Brother UPSHAW's bootlegger—

"as long as those 'blankety-blanks' keep buying I am going to keep on selling." I have reported him several times, but they let him pay a fine and he goes right back to bootlegging. He does nothing else.

We know the situation with reference to exhortation by the Representative from Georgia, but in every little church on Main Street, in every little hamlet in this country, that message has gone to tell the world that you Members of the House, whether you voted straight for prohibition and live straight for prohibition, are hypocrites and law violators.

I want to make the public statement right here that I have two daughters, but one of them is only 2 and the other one only 6, and neither one of my daughters made that statement to UPSHAW's bootlegger.

Then comes a quotation from the Columbia Sentinel, the late Senator Watson's paper, which shows the intent of these charges:

The Columbia Sentinel, the paper of the late Senator Thomas E. Watson, enjoying a national circulation, and now edited by the brilliant former secretary of Senator Watson, Grover C. Edmonson, says:

"UPSHAW's advice to the men 'higher up' is good sense, sound law, and wholesome honesty. If public officials themselves violate one of our laws, what right have they to jail the average man for committing the same sin?" And

"Whereas the publication of said charges, if untrue, are a grave wrong to this body, and if true, the responsibility should be placed where it belongs;

"Resolved, That the Judiciary Committee of the House be directed to investigate and report to the House whether said charges are true, and, if untrue, whether the said Hon. WILLIAM DAVID UPSHAW has violated the privileges of the House, and their recommendations relative to the same: Resolved further, That said Judiciary Committee have leave to sit during the sessions of the House, to send for persons and papers, to swear witnesses, and to compel their attendance."

Gentlemen, if these charges are true, the knell of prohibition has sounded, because it shows that the law is a joke. If these charges are not true, we should vindicate the honor of this House. I shall move the previous question on this resolution at the earliest possible occasion.

The gentleman from Georgia has called me the "wet nurse" of the House. I accept the title with gratitude. He has placed me in the class with that great protagonist of civilization—the wolf that suckled Romulus and Remus, and that has come down through the ages embalmed in bronze.

But as a Member of this House I esteem its honor more than bronzed fame; and so to-day I demand that the gentleman from Georgia prove his charges true or untrue before the Judiciary Committee. And in confidence I will say to you I have never had a drink, licit or illicit, with any member of the Judiciary Committee at any time in any place. [Applause and laughter.]

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to set aside for lighthouse purposes lot 5 in section 13 and lot 1 in section 24, township 21 north, range 13 west, of Willamette meridian, within the Quinault Indian Reservation in Washington, containing a total of 43.20 acres: *Provided*, That the Secretary of Commerce shall pay the Indians therefor, from the appropriation for the general expenses of the Lighthouse Service for the fiscal year in which this reservation is made, such price for the lands set aside hereunder as may be agreed upon by the Secretary of the Interior and the Secretary of Commerce: *Provided further*, That the funds thus derived shall be deposited in the Treasury of the United States to the credit of the Indians of the Quinault Reservation and shall be subject to expenditure for their benefit in such manner as the Secretary of the Interior may deem for their best interests.

SEC. 2. That there is hereby reserved for the use and benefit of the Indians of the Quinault Reservation in common all oil, gas, coal, or other minerals in the lands set aside hereunder for lighthouse purposes, and the right to prospect for and mine these commodities under such rules and regulations as may be agreed upon by the Secretary of the Interior and the Secretary of Commerce.

With the following committee amendment:

Page 2, line 7, after the word "Reservation," strike out the words "and shall be subject to expenditure for their benefit in such manner as the Secretary of the Interior may deem for their best interests."

The amendment was agreed to.

Mr. SNYDER. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. THOMSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 11475) to authorize the setting aside of certain tribal lands within the Quinault Indian Reservation in Washington for lighthouse purposes, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. SNYDER. Mr. Speaker, I move the previous question on the bill and amendment to the final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. SNYDER, a motion to reconsider the vote by which the bill was passed was laid on the table.

WEST FORK OF SOUTH BRANCH OF CHICAGO RIVER.

The next business on the Calendar for Unanimous Consent was the bill (S. 3177) declaring a portion of the West Fork of the South Branch of the Chicago River, Cook County, Ill., to be a nonnavigable stream.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. I reserve the right to object, Mr. Speaker.

Mr. STAFFORD. I do not intend to object to the bill, but I think there should be some explanation before it passes the objection stage, because of the importance of the bill.

Mr. GRAHAM of Illinois. Mr. Speaker, I think this bill ought to be explained to the House. So far as I know, there is no opposition to it, but it is a very important proposition. I do not want to be prolix, or to take too much time with it, but I will state briefly what it is.

The Chicago River extends west from Lake Michigan about half a mile and then divides into two branches, one of which runs north and the other of which runs south. The South Branch runs south about three miles and a half and then divides into two branches. The West Branch runs west about 8 miles to a high divide that separates the waters of the Chicago River and the Des Plaines River, forming a sort of watershed there. Many, many years ago travelers coming up the Illinois River from Mississippi came up the Des Plaines River, and then car-

ried their canoes, their furs, and other freight from one water pool to another, and finally got into the Chicago River over this old trail.

It was abandoned. The last travel over it that we know anything about was early in the last century. But for 150 years it was a pretty well marked trail. After that it degenerated into a sort of meandering watercourse that ran through the prairies with very little water in it for about 7 miles of length. Some years after it was abandoned two men, who owned land along its course, drained the swamp lands by constructing a drainage ditch along the line of this old watercourse, called the Ogden ditch. That was abandoned, and to-day in this part of the stream in some places you can hardly see the channel at all, and at other places the old channel is full of sewage which runs into it from the intersecting sewers. This makes places that breed disease, and this part of the river is of no account for navigation at all. Numerous committees of Congress have been out to look at it, and all have decided that it is not a navigable stream and is of no importance.

Mr. BLANTON. Will the gentleman yield for a question for information?

Mr. GRAHAM of Illinois. Yes.

Mr. BLANTON. Is a stream navigable until it is declared so?

Mr. GRAHAM of Illinois. Yes.

Mr. BLANTON. Has this stream ever been declared navigable, or is it so by reason of some other facts?

Mr. GRAHAM of Illinois. The Supreme Court of Illinois, in a recent case, the Economy Light & Power Co. case, held that originally this branch of the river was navigable, and commented on the fact that fur traders and the voyageurs had, for 150 years, crossed that part of the country, because it was the most available way to get to the Mississippi River.

Mr. BLANTON. The gentleman will realize that with reference to a stream that is navigable there are certain public rights concerning which the whole people are interested.

Mr. GRAHAM of Illinois. Absolutely.

Mr. BLANTON. To declare a stream nonnavigable by Congress, if there were such rights as were valuable, would take away the rights from the people.

Mr. GRAHAM of Illinois. I understand, and there is no man in this House that is more insistent on water navigation than am I.

Mr. BLANTON. Is this stream the only source of carrying off and removing the sewage of that locality?

Mr. GRAHAM of Illinois. No; if the local authorities could fill up the old watercourse they would construct intersecting sewers into the Chicago Drainage Canal, which runs 1,500 feet south and in a parallel course to this stream its entire length.

The Committee on Interstate and Foreign Commerce, knowing this was a somewhat important bill, and it being located in the center of the city of Chicago, sent a subcommittee there, consisting of the gentleman from Illinois [Mr. DENISON] and myself, to look into it. We held hearings in the Federal building for three days. We notified everybody, the State, the city, the sanitary district, and everybody concerned, and had extensive hearings, which have been printed. We have gone into the law as far as we can go. We satisfied ourselves about the facts. This stream is not navigable; it is of no importance as a navigable stream; it will never be of any importance, because near it is the sanitary district canal, 23 feet deep on the average, 250 feet broad, sufficient to carry all navigation that may at any time come up that river. So there is no reasonable objection to it. The State of Illinois, which ordinarily insists strenuously on keeping all streams intact, is not offering any particular objection.

Mr. BLANTON. Will the gentleman yield?

Mr. GRAHAM of Illinois. Certainly.

Mr. BLANTON. I do not know anything about this stream; I do not know its width or its availability for redemption, as far as property rights are concerned; but suppose it could be filled up and reclaimed and become valuable property. As it is now, no one has any property rights concerning a navigable stream. If you remove that obstacle and declare it nonnavigable and it should be taken over and filled up and made valuable property, some people might get the benefit of it. That is what I had in mind.

Mr. GRAHAM of Illinois. As a matter of fact, in some places you can step across it, and in some places you can hardly see that there is a channel. Every once in a while you find a pool of water which is largely a cesspool. There is not much of a stream. But it having been declared to be a navigable stream by the decision of the Supreme Court of the State of Illinois some action on the part of Congress will be necessary before the local laws will apply.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. JOHNSON of Mississippi. I have not read the hearings, but I would like to ask the gentleman if the people of Chicago object to it?

Mr. GRAHAM of Illinois. No; this bill was introduced by the Senator from Illinois [Mr. McCORMICK], and a similar bill was introduced in the House by Mr. MICHAELSON, a Representative from Illinois. We had all the representatives of the city, the sanitary district, and the State of Illinois before us, and there was no objection made to this particular proposition.

Mr. JOHNSON of Mississippi. Was notice given to the people?

Mr. GRAHAM of Illinois. It was, it was advertised in the papers; we had news articles in the papers; we sent letters to everybody who had ever written us about it; and we were extremely careful on that point because the gentleman from Illinois [Mr. DENISON] and I both are, as you know, firm advocates of water transportation, and we are not going to do anything that is going to let a useful watercourse be filled up if we can help it.

Mr. STEPHENS. Who will own this property when it is declared nonnavigable and filled up?

Mr. GRAHAM of Illinois. Under the law of Illinois the rule is this: Where a stream is navigable and is abandoned as a navigable stream the abutting landowners acquire title to the middle of the thread of the old channel.

Mr. STEPHENS. Then the abutting landowners will receive the benefit of this?

Mr. GRAHAM of Illinois. They will.

Mr. STEPHENS. Then they are particularly interested in it?

Mr. GRAHAM of Illinois. No; we had no representations from any of them.

Mr. STEPHENS. Would it not benefit them to the extent of millions of dollars?

Mr. GRAHAM of Illinois. Let me explain. The movement comes from the city of Chicago. They propose to run Blue Island Avenue, which is one of the principal avenues of the city, right down over the line of this old ditch, clear through into the western part of the city toward a zoological garden, and to make a great highway of what to-day is a stinking, offensive stream that is of no value. The plan, the movement, seems to have originated in the authorities of the city of Chicago.

Mr. STEPHENS. Yet this land would not go to the city of Chicago?

Mr. GRAHAM of Illinois. The city will get it by condemnation proceedings.

Mr. STEPHENS. And it will have to pay the abutting property owners?

Mr. GRAHAM of Illinois. It is willing to do that.

Mr. STEPHENS. How much will that amount to?

Mr. GRAHAM of Illinois. I do not know. The land on either side of this old ditch is not improved very much at this time. People will not move in there and construct buildings or manufacturing institutions; and just what the land is worth, I do not know. However, the city of Chicago, by condemnation proceedings, will have to acquire the right of way. Sometimes the new road will be right in the middle of the old channel, and sometimes it will cut across corners, and so on; but the city of Chicago will have to pay for it, and the people of that city are willing to do that.

Mr. WILLIAMSON. In what portion of Chicago is this stream?

Mr. GRAHAM of Illinois. It is in the southwest section. It runs out toward the village of Des Plaines.

Mr. WILLIAMSON. Does it connect up with the canal or the Chicago River?

Mr. GRAHAM of Illinois. Yes; in the south part of the city, down about Thirty-ninth Street, the Chicago River forks. The west fork runs in a southwesterly direction about 7 or 8 miles toward Des Plaines. For about a mile and a half west of the fork of the river the river might be used for some navigable purposes. At that point, a mile and a half west of the fork and extending south from the river to the Sanitary District Canal, is a collateral channel, as it is called, of the Sanitary District Canal, which has made a large loop of water there.

The people of Chicago wanted the committee to adopt an amendment which also provides for the abandonment of that portion of the river within the loop, but Mr. DENISON and I were unitedly opposed to that proposition, and when we reported it to the committee the committee agreed with us, so

that the only portion involved is the portion west of the collateral channel, which is an old meandering ditch.

Mr. PARKER of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. PARKER of New Jersey. Does not the Des Plaines Canal, which I think ran from the Illinois River, connect with this branch?

Mr. GRAHAM of Illinois. The gentleman means the Illinois and Michigan Canal?

Mr. PARKER of New Jersey. No; the old Des Plaines Canal.

Mr. GRAHAM of Illinois. No. I never knew of any canal that connected the Des Plaines and Illinois Rivers.

Mr. PARKER of New Jersey. There was a canal called the Des Plaines Canal, and I thought that was the canal which connected the Chicago River with the Illinois River through Des Plaines.

Mr. STAFFORD. That is the Illinois and Michigan Canal to which the gentleman refers.

Mr. GRAHAM of Illinois. Along about 1848 a canal was dug from the Des Plaines River to the Chicago River called the Illinois and Michigan Canal, which was used for many years and finally abandoned when the railroads practically put a stop to its business.

Mr. PARKER of New Jersey. This is not the Des Plaines River?

Mr. GRAHAM of Illinois. No; this is a branch of the Chicago River. The old bed of the Illinois and Michigan Canal still exists, still furnishes adequate terminal facilities if it was ever desired, and in addition to this there is the sanitary district and ship canal, which has a good depth of water and also parallels it within a short distance.

Mr. PARKER of New Jersey. This would not interfere with that canal?

Mr. GRAHAM of Illinois. Not in the least.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk reported the bill, as follows:

Be it enacted, etc., That all of that portion of the West Fork of the South Branch of the Chicago River, in the county of Cook and State of Illinois, extending west from the west line of the Collateral Channel of the sanitary district of Chicago, in the northwest quarter of section 36, township 39 north, range 13 east of the third principal meridian, be, and the same is hereby, declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. DENISON, a motion to reconsider the vote by which the bill was passed was laid on the table.

INDIANS ON THE LAC COURTE OREILLE INDIAN RESERVATION IN WISCONSIN.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13655) to validate certain allotments of land made to Indians on the Lac Courte Oreille Indian Reservation in Wisconsin.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I am acquainted somewhat by general rumor and what comes from reading the papers of Milwaukee that years back there were allotments of Indian land in which there were large stands of timber made to Indians without right, which were appropriated by the so-called timber interests of the State. There have been some bills proposed to confirm those titles. I wish to know whether the bill sought is to confirm the title of allotted lands that were granted without right, where the poor Indian got little or nothing because he had no right to the land, and the lumberman who took his paper title and got possession and now wishes to have his title confirmed?

Mr. BURTNESS. The necessity and reason for the bill are that under the law passed in 1854, providing for allotments to the Indians, such allotments should only be made to heads of families or to single persons who were above the age of 21 years.

Pursuant to the provisions of that law, however, an allotting agent made allotments which were erroneous, or at least which were not justified under the provisions of that law in this, that he made some allotments to minors who were under the age of 21 years, and he also made some allotments to married women who were not the heads of families.

Mr. STAFFORD. Why did he violate the power which was vested in him to grant land, and very likely valuable timberland, to persons who were incompetent and could not dispose of their land? Then comes along some representative of lumber companies and buys this land for a mere pittance and sells the timber at full value, and now comes to the Government when the land has become valuable and asks confirmation of title.

Mr. BURTNESS. The information given by the bureau is that it was done through error, through inadvertence on the part of the allotting agent.

Mr. STAFFORD. Is there any testimony to the effect it was done through inadvertence and error?

Mr. BURTNESS. That is the statement made by the assistant commissioner before the committee. Now, if the gentleman will permit me to finish my explanation, I want to make it plain to him and the House that the law passed in 1903 permitted allotments to be made to single persons under 21 years of age and to married women who might not be heads of families. In other words, the situation is this: If the erroneous allotment as made by the allotting agent under the provision of the 1854 act prior to 1903 had in effect been made at any time during the last 19 years, then there would be no question whatsoever as to the validity of the act of the allotting agent, so all that this legislation will do, if passed, is simply to cure it, to make the older allotments valid in the same way as if they had been made since the 1903 act went into effect.

Mr. STAFFORD. Under this act of 1903 the Indian agent was authorized to allot to married women. There the authority was bestowed. But in these old allotments there was no authority whatsoever. I want it clear in my mind it was not done by design to get these valuable Indian lands with rare white-pine timber into the possession of the lumber interests.

Mr. BURTNESS. But the fact is that ever since 1903 this very land could have been allotted and has been allotted, a great many of them, to married women who are not the heads of families and to minors under the age of 21 years.

Mr. STAFFORD. Under authority of law?

Mr. BURTNESS. Yes; passed in 1903, which was doubtless the intent at that time, for that was the policy that Congress established. And so the committee thought that such allotments as had been made erroneously prior to that time, but which, however, are in direct accord with the policy as outlined by Congress in the 1903 act, that there was no reason why such prior allotments should not be made valid, and therefore reported this bill.

Mr. STAFFORD. I withdraw the reservation of the right to object.

Mr. SNYDER. Mr. Speaker, I want to say to the gentleman that after a very careful consideration of this bill we found that all it would do would simply be to correct an error which was made in these allotments when originally made, and there is really nobody being hurt or favored by it in any event, and we thought that the bill ought to be passed to clear up the situation.

The Clerk read as follows:

Be it enacted, etc., That such allotments of land to Indians on the Lac Courte Oreille Indian Reservation in Wisconsin and the restricted fee patents issued therefor, under the provisions of article 3 of the treaty of September 30, 1854 (10 Stat. L., p. 1109), which allotments are not within the provisions of the treaty because of the ages of the allottees or their status as heads of families at the time the allotments were made, be, and the same are hereby, validated.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. BURTNESS, a motion to reconsider the vote by which the bill was passed was laid on the table.

LANDS DEVISED TO THE UNITED STATES GOVERNMENT BY THE LATE JOSEPH BATTELL, OF MIDDLEBURY, VT.

The next business in order on the Unanimous Consent Calendar was the concurrent resolution (S. Con. Res. 30) concerning lands devised to the United States Government by the late Joseph Battell, of Middlebury, Vt.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I do not recall whether this particular question has been presented to the Speaker for decision or not, where a person by will offers land to the Government under certain conditions and the Congress decides not to accept the gift, whether it should be by joint resolution rather than by concurrent resolution. I wish to call the attention of the Speaker to the fact that this is a Senate concurrent resolution. I have given some

little thought to it. I am of the opinion that this should be a joint resolution that should be presented to the President for his approval. True the Government has no title to-day to the land. It has not even an inchoate interest, and yet it would have title if the Government should pass a law accepting the land upon the terms provided in the will of the testator. I think in a matter of that kind the question is legislative in its character and should be submitted to the President of the United States for approval. It is not of the relationship of matters between the two Houses, wherein the President is not interested, which are generally embodied in a concurrent resolution.

Mr. GREENE of Vermont. May I offer a suggestion?

Mr. STAFFORD. Certainly. I am seeking enlightenment. I was asking whether it should not be submitted to the President instead of being embodied in a concurrent resolution. I am not objecting to the merits of the provision. I think the grant should be rejected.

Mr. SINNOTT. Mr. Speaker, I do not think it would make any difference what you call the resolution, whether concurrent or joint. A concurrent resolution, if it contains legislation, as I understand it, goes to the President. I have very hurriedly looked up the matter, and in the Manual, section 389, it is stated—

A concurrent resolution is binding upon neither House until agreed to by both. It is not sent to the President for approval unless it contain a proposition of legislation which is not within the scope of the modern form of concurrent resolution.

Now, if it is held that it contains a proposition of legislation it would necessarily go to the President under this citation.

The SPEAKER. If it requires the President's signature, why should it not be a joint resolution?

Mr. SINNOTT. It does not make much difference what you call it.

The SPEAKER. A joint resolution requires the President's signature.

Mr. SINNOTT. A concurrent resolution requires the signature of the President if it contains a proposition of legislation. However, it seems to me that this is not a proper parliamentary objection at this time to the measure. It is a criticism, but not an objection that the Chair can entertain.

Mr. STAFFORD. Oh, yes; the enacting clause would have to be changed. I have never known a concurrent resolution to pass either House that was submitted to the President. Concurrent resolutions are intended to be limited in purpose to the action of the two bodies. If the author of the resolution in another body has made a mistake, let us have the courage to admit that he has done so. I have said to the gentleman from Vermont [Mr. GREENE] that I had no objection on the merits of the resolution.

Mr. GREENE of Vermont. Does the gentleman propose to arrest this measure entirely? You can not amend a thing of this nature in parliamentary process now. It means the reintroduction of this resolution from the other end again.

Mr. STAFFORD. The gentleman can introduce a House resolution.

Mr. GREENE of Vermont. Mr. Speaker, if the gentleman will permit me, I do not pretend to be versed enough in parliamentary procedure to make a fine argument on the relative value of a concurrent and a joint resolution and the action of Congress upon them. This is not a case where Congress is being asked to make a law in the sense that it is to be followed as a rule and guide for the action of anybody, and therefore needs the approval of the President to make it a law.

It is a case where the court merely refused to distribute some property to the residuary legatee until the two Chambers of Congress themselves had decided whether they want to pass a law accepting the bequest or not. The history of this thing shows plainly what they had in mind. The Senate resolution was originally acted upon by the Senate committee and reported by the committee adversely, whereupon the measure was changed; that it was the sense of Congress that it did not want to accept the gift.

Mr. STAFFORD. But Congress should have the right to pass upon whether that gift should be accepted or not. It is a legislative enactment.

Mr. GREENE of Vermont. It was in the form of a resolution to show the intent of the two Houses, and not what the two Houses with the signature of the President would put into effect. It is negative.

The SPEAKER. It is clear to the Chair that the action must be the action of the United States Government, of which the President is a part, and that he is just as much entitled to be heard on it as Congress. The Chair thinks at first blush that it ought to be a joint resolution; and the Chair would suggest, although it is a rather awkward way to do it, that he does not

see why a concurrent resolution could not be amended into a joint resolution.

Mr. STAFFORD. I move, Mr. Speaker, as a substitute the following. I withdraw the reservation of an objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. STAFFORD. I move as a substitute the following: After the preamble, insert in lieu of the resolving clause the following: "*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the acceptance of said devise,*" and so forth, providing the enacting phraseology which always accompanies a joint resolution, as distinguished from a concurrent resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Senate Concurrent Resolution 30.

Whereas Joseph Battell, late of Middlebury, county of Addison, State of Vermont, deceased, in and by his last will and testament devised to the Government of the United States of America about 3,900 acres of land situated in the towns of Lincoln and Warren, in the State of Vermont, for a national park; and

Whereas said lands were devised to the United States of America upon certain conditions, among which were the following: That the Government should construct and maintain suitable roads and buildings upon the land constituting such national park for the use and accommodation of visitors to such park, and should employ suitable caretakers to the end and purpose that the woodland should be properly cared for and preserved so far as possible in its primitive beauty; and

Whereas it is deemed inexpedient to accept said devise and to establish a national park in accordance with the terms thereof: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the acceptance of said devise so made by Joseph Battell in his last will and testament be declined by the Government of the United States, and that the estate of the said Joseph Battell be forever discharged from any obligation to the United States growing out of the devise before mentioned.

Mr. STAFFORD. The Clerk has not yet reported the amendment. I offer as a substitute, Mr. Speaker, the following: "Strike out of the title the word 'concurrent' and substitute the word 'joint,' so as to make it a joint resolution.

The SPEAKER. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out of the title "Concurrent Resolution No. 30" and insert "Joint Resolution No. —."

Mr. STAFFORD. And also in the title substitute "joint" for "concurrent." And for the resolving phraseology substitute the usual phraseology which accompanies a joint resolution as follows: "*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*" in lieu of the "the Senate (the House of Representatives concurring)."

The SPEAKER. The Clerk will report the amendment of the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out in the caption at the head of the preamble the word "concurrent" and insert in lieu thereof the word "joint," and in the resolving clause strike out "Resolved by the Senate (the House of Representatives concurring)," and insert—

The SPEAKER. The question is on agreeing to the amendment. The Clerk will report the first amendment.

The Clerk read as follows:

Insert: "*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*" in lieu of "the Senate (the House of Representatives concurring)."

Mr. BLANTON. Mr. Speaker, this is the first time since I have been in Congress that the Government has turned down a gift from anybody.

Mr. SINNOTT. A white elephant.

Mr. BLANTON. Here is a man in Vermont who offered to the Government 3,900 acres of valuable land, and I am glad to commend the Senate of the United States for not accepting it. It was not land that was suitable for a national park, although the owner offered it for that purpose. But he expected the United States Government, if it accepted it, to maintain it as a national park, with roadways and caretakers and the annual expenses incident to all national parks. Every few days we hear of some charitably minded person wanting to give something to the United States. We ought to scrutinize such gifts carefully. There are some gifts that an individual can not afford to take. There are some gifts that a Government can not afford to take.

I notice that another charitably minded individual, who has passed away lately, has offered property for establishing what he calls a summer White House somewhere else than in Washington. There should be but one White House in this Government of ours, and that is here in Washington. There is too much growing tendency to create aristocracies and to follow

the example set up by royalty in other countries, by monarchies in other countries. Certain people would have a summer White House in the North, and an autumn White House somewhere else, and a winter White House in Florida. It is following European example a little too much. I am against it all, and I believe the people of this country want a little more simplicity in the manner of their living, beginning with the Chief Officer of the land.

When we consider the estimates of expenses appearing in a divorce court in New York as to what one separated wife and children need for their annual expenses, which the court is asked to set aside to them each year, it is a shock to American institutions, I do not care how wealthy a person may be. The waste of their property along such lines is not according to American ideals.

Last Saturday this grass widow requested a court of equity to make her an annual allowance out of her husband's estate for the following expenses each year, to wit:

Apartment rent, \$13,000; certain employees, \$500; trained nurse, \$2,100; cook, \$1,500; kitchen maid, \$720; housemaid, \$900; two laundresses, \$1,800; butler, \$1,800; for cleaning apartment, \$520; personal maid, \$900; cost of food, \$16,500; for maintaining motor car, \$5,300; tutors for two boys, \$3,000; secretary, \$3,000; clothing for two sons, \$4,500; clothing for self, \$15,000; maintaining summer place, \$9,600; traveling expenses during summer, \$15,000; incidental expenses, such as stamps, car fare, and so forth, \$5,000; doctor bills, \$6,000; dentist bills, \$4,000; amusements, books, and concerts, \$3,500; toys, gifts, birthday and Christmas presents, \$1,000; insurance, \$1,500; furniture, \$10,000; son's vacation expenses, \$3,000, and extra tutoring, \$1,500; contributions, \$3,000; and gratuities, \$5,000.

Mr. DENISON. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Illinois.

Mr. DENISON. Under the custom which has grown up our White House now is quite a public place, and the public object to its being closed or even to the grounds being closed. It is always open to tourists, and there is very little opportunity for that quiet and rest that the President ought to have. What objection has the gentleman from Texas to the President, like other people, having an opportunity to have a quiet place where he can take his family and get some rest during certain months of the year?

Mr. BLANTON. There is no such thing as rest for the President of the United States, I do not care whether it is in a White House in Florida, or in Maine, or in the White House in Washington. But there is seclusion for him. Of all the many visitors who go to the White House each day very few see the President. The President never sees them. Of course he sees some by appointment, but he rarely ever sees the great hordes of visitors who enter the doors of the White House. He is never bothered by them.

Mr. DENISON. Will the gentleman yield?

Mr. BLANTON. In just a minute. If the gentleman from Illinois [Mr. DENISON], who is an active Member of this House and who takes an interest in all its proceedings, will study the history of the constant increase in appropriations for the Chief Executive of this Nation, an increase that has been growing not only under Republican administrations but under Democratic administrations as well—if the gentleman will look back 50 years he will be astounded. It ought not to be carried too far. The Chief Executive of this Nation is the chief of the greatest Republic in the world and represents the finest people in the world, but he is not a monarch. He is the executive officer of the American people. He is an American. We must not get away from that idea with all of its full significance.

Mr. DENISON. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Illinois.

Mr. DENISON. Of course it is not un-American—I am sure my friend from Texas will agree that it is not at all un-American—that the President of our country should be given an opportunity to have a quiet place where he can take his family and get a little rest. If we can give him that opportunity, does not the gentleman from Texas think that this is too great a Nation to quibble and dispute and quarrel over a little matter of that kind; and if we can do that for our President, does not the gentleman think we ought to do so?

Mr. BLANTON. The gentleman from Illinois knows well that if we establish a summer White House away from Washington it will not be a year before there will be a move on foot to establish a winter White House down in Florida. The gentleman knows that.

Mr. DENISON. No; I do not know that.

Mr. BLANTON. Then he is not the discerning gentleman I thought he was. His discernment does not take in quite the scope I thought it did.

Mr. DENISON. I have not as much imagination as the gentleman from Texas.

Mr. BLANTON. No; the gentleman from Texas is looking upon facts based on past history. We are now spending \$25,000 to equip the *Mayflower* with oil burners instead of coal, and there is a movement on foot now to buy for the Vice President of the United States a magnificent mansion out here on Sixteenth Street, in Mount Pleasant, that is now held there, vacant, waiting for Congress to buy it—to be called the Vice President's White House.

There is not a man in this Nation who appreciates more highly than I do the Vice President of this country. He is one of the biggest men in the Nation. There is only one thing that kept me from voting for him, and that is the fact that he is a Republican. If it had not been for his party affiliations I might have voted for him. But however much we admire him, we must draw the line against this drifting into what I call the Old World aristocracy that our forefathers ran away from when they established this American Republic. I want to say to the people who built that mansion out yonder on Sixteenth Street that if the rest of my colleagues think about it as I do they might just as well dispose of it in some other way, because we are not going to buy it.

Mr. ROSE. Will the gentleman from Texas yield for a question?

Mr. BLANTON. I yield to the gentleman from Pennsylvania.

Mr. ROSE. I think I know what the gentleman had in mind in speaking of the enormous allowance for expenses in a divorce suit in New York. Does the gentleman think that a wife asking 25 per cent of the admitted income of her husband is out of proportion?

Mr. BLANTON. No; if she asked for same as an estate to which she was entitled, if she asked for it as her part of the accumulations earned during marriage, it would be a different thing, for the benefit of herself and her child as their part of the estate, but she is asking merely for a yearly allowance to be spent along certain lines, enough to take care of a small village of needy citizens.

Mr. DENISON. Will the gentleman yield now?

Mr. BLANTON. Yes.

Mr. DENISON. The Vice President has no place to live in, and the gentleman knows—

Mr. BLANTON. And the gentleman from Illinois himself has none.

Mr. DENISON. No; but the gentleman from Illinois does not have the obligations and duties resting upon him that the Vice President has. His position makes it necessary for him to entertain, of course.

Mr. BLANTON. One minute, right there. There is no man holding office in our Government that has more social responsibility concerning entertaining than does the Secretary of State, and yet he is not furnished a White House by the Government to live in. It would be only a step further when you give a residence to the Vice President, you would also have to give one to the Secretary of State and then all down the line to every member of the Cabinet, and then to Senators and Congressmen.

Mr. DENISON. The gentleman can appreciate the fact that there is some difference between the position and the duties of the Vice President and the Secretary of State. The Vice President is compelled to live in hotels, and the gentleman knows enough about hotels in Washington so that he ought to have some sympathy with a man in his position who is compelled to live in high-priced hotels in this city.

Mr. BLANTON. He is not compelled to live in hotels. He could rent a residence.

Mr. DENISON. For fear that the gentleman's expressed sentiments will be taken as the sentiment of the House that the Government ought not to furnish the Vice President with a home, I want to say that I hope the time will soon come when it will do so.

Mr. BLANTON. If the gentleman will have some of the citizens from each county in his district come here and let them see how during the past 30 years we have advanced in the way of expenses for both the Chief Executive and for the Vice President, and show them the palatial residences on Sixteenth Street and ask them if they are in favor of buying a residence of that kind for the Vice President, I will guarantee that the gentleman will change his mind. I merely wanted to raise my protest against this growing extravagance, and I only rose for that purpose and to commend the Senate for disapproving this gift and turning it back.

Mr. GREENE of Vermont. Mr. Speaker, I think perhaps under the circumstances it might not be improper for me to suggest that the man, Mr. Joseph Battell, who made this original bequest to the Government did so in the utmost good faith and in an attempt to carry out a project for the public benefit which had been one of the ideals of his dreams for many years. Mr. Battell was a man of considerable means and a man of great public spirit and enterprise. In this particular instance he was trying to give the Government of the United States a forest area or reservation for a public park right alongside and in the vicinity of other similar forest land that he had given to the State of Vermont, and which the State of Vermont had accepted. It appears, however, that the old gentleman attached to the gift to the United States such conditions as to acceptance and maintenance of this tract of land that would make it a kind of white elephant, perhaps, and not suitable for the purpose he had in mind, and not suitable for the similar purpose that the State might exercise in the property he had given it near by. So it was felt under the circumstances that, recognizing the practical necessities of the years that have followed his decease, it might not be altogether advisable for the Government to accept the gift notwithstanding the good intentions he had in mind in making his will.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The concurrent resolution was agreed to.

On motion of Mr. GREENE of Vermont, a motion to reconsider the vote whereby the concurrent resolution was agreed to was laid on the table.

CONTESTED-ELECTION CASE OF PARILLO V. KUNZ.

Mr. DALLINGER. Mr. Speaker, by direction of Elections Committee No. 1, I present a report in the contested-election case of Parillo against Kunz, eighth district of Illinois.

TO EXTEND THE PROVISIONS OF THE ACT OF FEBRUARY 8, 1887, TO LANDS PURCHASED BY THE INDIANS.

The next business on the Calendar for Unanimous Consent was the bill S. 1926, an act to extend the provisions of the act of February 8, 1887, as amended, to lands purchased for Indians.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RAKER. Reserving the right to object, I wish the gentleman from Arizona would give us some information about this bill.

Mr. HAYDEN. Mr. Speaker, this bill proposes to make applicable to lands heretofore or hereafter purchased by Indians the provisions of the general allotment act of 1887 as amended. Under the general allotment act any reservation created for Indians may be allotted not more than 160 acres of grazing land to any one Indian, not more than 100 acres of agricultural land, and not more than 40 acres of irrigated land. Certain tracts of land have been purchased for Indians, about 7,000 acres in California, about 14,000 acres in Wisconsin, and some other lands in Minnesota. The conditions surrounding these purchases are such that the lands could not be allotted, and the title to them remains in the tribe and in the United States. It is certainly good policy to divide up all tribal lands by allotting them to individual members of the tribe in order that they may have the benefits of controlling a particular piece of property and learn how to manage it, the same as any other citizen. If they are incompetent Indians they will be given trust patents, and their affairs will be handled in exactly the same way as is now done with respect to Indian lands.

Mr. RAKER. Mr. Chairman, would not the gentleman let the matter pass over until the next unanimous consent day, to remain on the calendar? A number of these are in my district, and I have not heard from the folks at home in regard to the matter. I ask the gentleman to do that.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

ROAD ON FORT APACHE INDIAN RESERVATION, ARIZ.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13128) authorizing an appropriation for the construction of a road within the Fort Apache Indian Reservation, Ariz.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized an appropriation of \$15,000 from any tribal funds on deposit in the Treasury to the credit of the Indians of the Fort Apache Indian Reservation, Ariz., to be immediately available, to pay one-half the cost of constructing a wagon road within said reservation between Cooley and the northeast boundary of said reservation: *Provided*, That no part of the appropriation herein authorized shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the county of Apache, Ariz., satisfactory guaranties of the payment by said county of one-half of the cost of the construction of said road.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HAYDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

TO FILL VACANCY IN BOARD OF REGENTS, SMITHSONIAN INSTITUTION.

Mr. FESS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 425, Senate Joint Resolution 258, providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

The SPEAKER. The gentleman from Ohio asks unanimous consent to return to Calendar No. 425, Senate Joint Resolution 258, providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress. Is there objection?

Mr. STAFFORD. Mr. Speaker, when this resolution was first under consideration I sought information as to the gentleman recommended to fill the vacancy occasioned by the death of Mr. Bell. The gentleman from Ohio [Mr. FESS] was temporarily out of the Chamber. I understand from the statement furnished to me that it is necessary to take this matter up immediately, for the reason that there is to be a meeting of the Board of Regents on February 8; and as there is to be no further Unanimous-Consent Calendar day this month, I think there should be an exception made in this case. I have no objection.

The SPEAKER. Is there objection to returning to this resolution?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The Clerk will report the Senate joint resolution.

The Clerk read as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, caused by the expiration of the term of Alexander Graham Bell, of Washington, D. C., be filled by the appointment of Irwin B. Laughlin, of Pennsylvania.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. FESS, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

BRIDGE ACROSS PEARL RIVER, MISS.

Mr. JOHNSON of Mississippi. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13139) granting the consent of Congress to the Great Southern Lumber Co., a corporation of the State of Pennsylvania doing business in the State of Mississippi, to construct a railroad bridge across Pearl River at approximately one and one-half miles north of Georgetown, in the State of Mississippi, which I send to the desk.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, let the bill be reported first, as it is not on the Calendar for Unanimous Consent.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Great Southern Lumber Co., a corporation of the State of Pennsylvania doing business in the State of Mississippi, its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto across the Pearl River at approximately one and one-half miles north of Georgetown, in the State of Mississippi, and in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the construction of such bridge shall be commenced within three years from the date of the passage of this act, and shall be completed within five years from the passage of this act.

Sec. 3. That the right to alter, amend or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 2, line 1, after the word "at," insert the words "a point suitable to the interests of navigation."
Page 2, line 6, strike out all of section 2.
Page 2, line 10, strike out the figure "3" and insert the figure "2."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. JOHNSON of Mississippi, a motion to reconsider the vote by which the bill was passed was laid on the table.

FLOOD CONTROL OF MISSISSIPPI RIVER.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent that the report from the Committee on Flood Control, on a bill which they have ordered to be reported, relating to the flood control of the Mississippi River, may be printed with illustrations.

Mr. MONDELL. What is the class of illustrations?

Mr. HUMPHREYS of Mississippi. The illustrations consist of two maps. The plate was made by the Federal Barge Line, a Government corporation on the Mississippi River. It shows the destination of all the freight carried north on the barge line, and the other map shows the points of origin throughout the country of all the freight carried south on the barge line.

The plates are to be furnished free of charge and the Public Printer tells me that the additional cost will be about 2 cents apiece for the report. Under the law I think 1,340 reports have to be printed, so that the cost would be in the neighborhood of \$30.

The SPEAKER. Is there objection to the request? [After a pause.] The Chair hears none.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MOORE of Virginia. Will the gentleman withhold that for a moment so that I may ask the gentleman from Wyoming a question?

Mr. STAFFORD. I will withhold the point.

Mr. MOORE of Virginia. May I ask the gentleman when he expects we will have an opportunity to take up the Private Calendar? There are now about 120 bills on that calendar.

Mr. MONDELL. I hope some time next week. I am very anxious that we shall have several days' consideration of the Private Calendar.

Mr. CHINDBLOM. Mr. Speaker—

The SPEAKER. Does the gentleman from Wisconsin withhold his point of no quorum?

Mr. STAFFORD. I will.

Mr. CHINDBLOM. Mr. Speaker, I desire unanimous consent to extend my remarks in the Record by inserting a letter from Commissioner Lissner of the Shipping Board in reference to the colloquy in the House the other day as to the edition printed of the so-called Government Aid to Merchant Shipping. Gentlemen will remember there was a colloquy here between the gentleman from Tennessee [Mr. DAVIS] and the gentleman from Pennsylvania [Mr. EDMONDS].

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the Record by printing the letter referred to. Is there objection?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, the gentleman from Tennessee is not here—

Mr. CHINDBLOM. I looked around for him, and I have tried to find him.

Mr. BLANTON. Is this additional propaganda in behalf of the ship subsidy bill?

Mr. DAVIS of Tennessee. I am here, and I shall not make objection, but I would like to have an opportunity to cross-examine him on whatever he says.

Mr. BLANTON. Is this additional propaganda in behalf of the ship subsidy bill?

Mr. CHINDBLOM. No; it is merely a statement as to that edition to which reference was made in the discussion the other day.

Mr. BLANTON. It is not in furtherance of the passage of the ship subsidy bill?

Mr. CHINDBLOM. No.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The letter referred to is as follows:

UNITED STATES SHIPPING BOARD,
Washington, January 15, 1923.

HON. CARL R. CHINDBLOM,
House of Representatives, Washington, D. C.

MR. DEAR MR. CHINDBLOM: On January 12, 1923, Representative DAVIS of Tennessee (page 1691, CONGRESSIONAL RECORD) stated:

"I hold in my hand a document of 306 pages, a multigraphed document, and it is expensively bound."

"It costs much more than to have it printed, and I have a written memorandum furnished by an employee of the Shipping Board who is in a position to be familiar with the facts and who is entirely reliable, and he makes the statement that this document, which is simply propaganda and arguments in favor of a certain measure, was prepared in the Shipping Board and by officials and employees of the Shipping Board, and he makes the statement that over 217,000 of these documents were made in the Shipping Board and made out of material paid for by the Government and prepared and made up and distributed by officials in the Shipping Board who were receiving Government salaries. This was distributed throughout the country to newspapers, business organizations, and what not, and at what expense I do not know, but it is in regard to the preparation and distribution of this document that this same official says that 'our duplicating section was working on this issue for several weeks, holding up important work; some duplicating work in connection with the regular routine was laid up over three weeks. Mr. Lasker's orders were to give this pamphlet precedence over everything else.'"

You personally expressed some interest in that statement, and later on (page 1692, CONGRESSIONAL RECORD) Congressman EDMONDS stated that he had just received information from me that a thousand copies of the document referred to were all that were made by the Shipping Board, instead of 217,000 copies, as stated by Mr. DAVIS, and Mr. DAVIS questioned the accuracy of that statement and said:

"I said that I had a memorandum furnished by an employee of the Shipping Board in which he stated that that was the fact. He was in the section that issued it."

This statement, as reported by Mr. DAVIS, constitutes such a gross inaccuracy that I feel it my duty to give the facts in this letter, with the request that you ask to have the same printed as a part of the RECORD.

As you well know, the study that was put out under the title "Government Aid to Merchant Shipping," referred to by Mr. DAVIS, was initiated at the special request of the President addressed to Chairman Lasker, and was prepared after months of painstaking investigation by a committee of the best available experts, consisting principally of well-qualified men employed by the Shipping Board and high naval officers, with some advice from practical and professional men not in governmental employ.

It was gotten out in mimeograph form by the Shipping Board's duplicating division largely as a matter of practical convenience and time-saving and because it was being revised and perfected from time to time.

The first edition was limited to 50 copies and was completed January 21, 1922. A revised edition of 100 copies was completed on February 20, 1922; and the final document of 306 pages (referred to by Mr. DAVIS, of which, as stated, exactly 1,000 copies were printed), was completed March 28, 1922.

This large edition, as stated by Mr. EDMONDS, was gotten up especially so that each Member of Congress might be furnished a copy, which was done. As might have been expected, there were requests for copies immediately made by the press correspondents and some others entitled to same, which were gladly furnished, and the remainder of the edition, amounting to about 50 copies, we still have on hand.

Far from being "expensively bound," the document, as may easily be ascertained by a mere glance at it, is cheaply and roughly bound in paper.

The Shipping Board makes no apology for its actions in this matter in furnishing as quickly as possible to the Congress and to representatives of the leading press associations copies of a comprehensive and expert study as to the result of which there was at the time a great deal of justifiable interest, and which legislators and the country were entitled to be informed concerning at the earliest possible day.

It is true that our duplicating section was working on this issue of 1,000 copies off and on for several weeks and that some other routine work was laid aside at times during that period. Quite properly orders were given that this work should have the right of way over ordinary matters of routine that could be postponed without detriment to the service. In all about 10 days' solid time was put in by our duplicating force on the edition referred to. At this rate it would have taken about 2,170 working days, or about seven years, solid time to print the mythical 217,000 copies referred to by Mr. DAVIS and his informant.

Members of Congress may therefore judge whether the Shipping Board employee referred to is "entirely reliable" and a "trustworthy source of information." On our part, we think that any employee of the Government who would clandestinely give out such a mendacious statement and so willfully mislead a Member of Congress should be summarily dismissed, and we feel justified in requesting, through you, that Mr. DAVIS give us the name of the employee referred to and a copy of the memorandum furnished by the employee, so that the latter may be properly dealt with.

There seems to us to be only one possible alternative to this course on the part of Mr. DAVIS. It may well be that quite unintentionally he misinterpreted to the House the information that was given him by the employee, in which event we feel sure Mr. DAVIS will desire to make the correction himself on the floor.

Yours very sincerely,

MEYER LISSNER, Commissioner.

SENATE BILL AND JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate bill and joint resolution of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3515. An act for the relief of the New Jersey Shipbuilding & Dredging Co., of Bayonne, N. J.; to the Committee on Claims.

S. J. Res. 265. Joint resolution to stimulate crop production in the United States; to the Committee on Agriculture.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock p. m.) the House adjourned until to-morrow, Tuesday, January 16, 1923, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

907. A letter from the Secretary of the United States Coal Commission, transmitting the first report of the United States Coal Commission (H. Doc. No. 533); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

908. A letter from the secretary of the Georgetown Barge, Dock, Elevator & Railway Co., transmitting annual report of the Georgetown Barge, Dock, Elevator & Railway Co.; to the Committee on the District of Columbia.

909. A letter from the Sergeant at Arms of the House of Representatives, transmitting a statement of receipts and disbursements of money through his hands December 1, 1921, to December 1, 1922, and a statement of property in his charge December 1, 1922; to the Committee on Accounts.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ZIHLMAN: Committee on the District of Columbia. S. 3169. An act to equalize pensions of retired policemen and firemen of the District of Columbia, and for other purposes; without amendment (Rept. No. 1400). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIHLMAN: Committee on the District of Columbia. S. Con. Res. 26. A concurrent resolution to create a commission to investigate the needs of the office of the recorder of deeds for the District of Columbia; with an amendment (Rept. No. 1401). Referred to the House Calendar.

Mr. ZIHLMAN: Committee on the District of Columbia. H. R. 8084. A bill to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia; and to authorize the extension and widening of Fourteenth Street from Montague Street to its southern terminus south of Dahlia Street, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson Street to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Blair Road, and for other purposes; without amendment (Rept. No. 1402). Referred to the Committee of the Whole House on the state of the Union.

Mr. SNYDER: Committee on Indian Affairs. H. R. 13777. A bill to modify the Osage fund restrictions; without amendment (Rept. No. 1403). Referred to the Committee of the Whole House on the state of the Union.

Mr. CURRY: Committee on the Territories. H. R. 13631. A bill to amend an act entitled "An act to amend an act entitled 'An act to provide a government for the Territory of Hawaii,' approved April 30, 1900, as amended, to establish a Hawaiian homes commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes," approved July 9, 1921; with amendments (Rept. No. 1404). Referred to the House Calendar.

Mr. BUTLER: Committee on Naval Affairs. H. R. 13556. A bill to increase the efficiency of the Marine Corps, and for other purposes; with amendments (Rept. No. 1413). Referred to the Committee of the Whole House on the state of the Union.

Mr. LITTLE: Committee on Revision of the Laws. H. R. 13555. A bill to provide for the publication of the Code of the Laws of the United States, with an index, parallel reference tables, and an appendix thereto; with an amendment (Rept. No. 1414). Referred to the Committee of the Whole House on the state of the Union.

Mr. DALLINGER: Committee on Elections No. 1. H. Rept. 1415. A report on the contested-election case of Dan Parillo v. Stanley H. Kunz. Referred to the House Calendar and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SPEAKS: Committee on Claims. H. R. 13150. A bill for the relief of Blattmann & Co.; with an amendment (Rept. No. 1406). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 9631. A bill for the relief of Edward F. Dunne, jr.; with an amendment (Rept. No. 1407). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 4920. A bill for the relief of E. J. Reynolds; with an amendment (Rept. No. 1408). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 1502. An act for the relief of Thomas E. Owen; without amendment (Rept. No. 1409). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 288. An act for the relief of John T. Eaton; without amendment (Rept. No. 1410). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 11879. A bill for the relief of Elizabeth McKeller; with an amendment (Rept. No. 1411). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 2262. An act for the relief of Franklin A. Swenson; without amendment (Rept. No. 1412). Referred to the Committee of the Whole House.

ADVERSE REPORTS.

Under clause 2 of Rule XXIII,

Mr. UNDERHILL: Committee on Claims. S. 2346. An act for the relief of Ellen B. Monahan (Rept. No. 1405). Laid on the table.

CHANGE OF REFERENCE.

Under clause 2 of Rule XIII, the Committee of the Whole House was discharged from the further consideration of the bill (H. R. 12007) providing for the conveyance of certain land to the city of Boise, Idaho, and from the city of Boise, Idaho, to the United States, and said bill, together with the report thereon, was referred to the Committee of the Whole House on the state of the Union and ordered to be printed (H. Rept. No. 1382).

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. McSWAIN: A bill (H. R. 13805) to construct a post-office building and Federal courthouse at Spartanburg, S. C.; to the Committee on Buildings and Grounds.

By Mr. TOWNER: A bill (H. R. 13806) to provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal farm loan act; to amend the Federal reserve act, and for other purposes; to the Committee on Banking and Currency.

By Mr. LAYTON: A bill (H. R. 13807) granting the consent of Congress to the Delaware State Highway Department to construct a bridge across the Nanticoke River; to the Committee on Interstate and Foreign Commerce.

By Mr. BIXLER: A bill (H. R. 13808) granting the consent of Congress to the commissioners of Venango County, their successors and assigns, to construct a bridge across the Allegheny River in the State of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. GERNERD: A bill (H. R. 13809) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the settling of New Netherland, the Middle States, in 1624 by Walloons, French, and Belgian Huguenots under the Dutch West India Co.; to the Committee on Coinage, Weights, and Measures.

By Mr. RODENBERG: A bill (H. R. 13810) to continue the improvement of the Mississippi River and for the control of its floods; to the Committee on Flood Control.

By Mr. HUDSPETH: A joint resolution (H. J. Res. 422) permitting the entry free of duty of certain domestic animals which have crossed the boundary line into foreign countries; to the Committee on Ways and Means.

By the SPEAKER (by request): Memorial of the Legislature of the State of Oklahoma, favoring the passage of the Green resolution amending the Constitution of the United States making it possible to tax securities now exempted from taxation; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 13811) granting a pension to Charles H. Crim; to the Committee on Invalid Pensions.

By Mr. FAIRFIELD: A bill (H. R. 13812) to correct the military record of Richard Brannon and grant him an honorable discharge; to the Committee on Military Affairs.

By Mr. FESS: A bill (H. R. 13813) granting a pension to Amanda Wishard; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 13814) granting a pension to Charles H. Ritter; to the Committee on Pensions.

By Mr. HAWES: A bill (H. R. 13815) granting an increase of pension to John Weidemann; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 13816) granting a pension to T. L. Ingram; to the Committee on Pensions.

Also, a bill (H. R. 13817) granting a pension to Sarah G. Sperbeck; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 13818) granting a pension to Lena Castor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13819) granting a pension to John C. Herin; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 13820) granting an increase of pension to Mary V. Scriven; to the Committee on Invalid Pensions.

By Mr. ROBSION: A bill (H. R. 13821) granting an increase of pension to Tempie Dyer; to the Committee on Invalid Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 13822) granting a pension to Jennie Alexander; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 13823) granting an increase of pension to Amos E. Albritton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13824) granting a pension to Martin E. McMichael; to the Committee on Pensions.

By Mr. WRIGHT (by request): A bill (H. R. 13825) for the relief of S. Silberstein & Son (Inc.); to the Committee on Claims.

By Mr. IRELAND: A resolution (H. Res. 484) authorizing appointment of additional clerk who shall be under supervision of the Clerk of the House; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6821. By Mr. BARBOUR: Petition of certain residents of Fresno County, Calif., urging support of joint resolution extending aid to people of the German and Austrian Republics; to the Committee on Foreign Affairs.

6822. By Mr. BRIGGS: Letter and exhibits from G. W. Tilley, State fire marshal, Austin, Tex., advocating prohibiting the interstate shipment of inflammable films; to the Committee on Interstate and Foreign Commerce.

6823. By Mr. KETCHAM: Petition signed by 62 citizens of Bridgman, Mich., favoring aid to famine-stricken peoples of German and Austrian Republics; to the Committee on Foreign Affairs.

6824. By Mr. KISSEL: Petition of the Merchants' Association of New York, New York City, urging favorable action on House bill 10213, a bill relating to the Diplomatic and Consular Service of the United States; to the Committee on Foreign Affairs.

6825. By Mr. SANDERS of Indiana: Petition of several members of Zion Reformed Church, of Terre Haute, Ind., relative to House Joint Resolution 412; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, January 16, 1923.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, Thou hast proven Thyself to be a very present help in time of trouble. And as we look out upon a distracted world we pray Thee for the wisdom necessary to cope with the difficulties, meet the problems, and deal with the strained situation that confronts nation after nation in these days. Our God, be our refuge, be our strength, and so help Thy servants before Thee and all others dealing with national or international affairs that results may be achieved which shall be for the good of humanity and Thy great glory. Through Jesus Christ our Lord. Amen.

NAMING A PRESIDING OFFICER.

The Secretary, George A. Sanderson, read the following communication:

UNITED STATES SENATE.
PRESIDENT PRO TEMPORE.
Washington, D. C., January 16, 1923.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. GEORGE H. MOSES, a Senator from the State of New Hampshire, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President pro tempore.

Mr. MOSES thereupon took the chair as Presiding Officer. The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday, January 9, 1923, when, on request of Mr. CURRIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

DEPARTMENTAL USE OF AUTOMOBILES.

The PRESIDING OFFICER laid before the Senate the following communications:

A communication from the chairman of the Federal Trade Commission, reporting, in response to Senate Resolution 399, agreed to January 6, 1923, that the commission does not maintain any passenger automobiles or garages; that it does, however, maintain and use a Dodge truck for mail-carrying purposes, which is kept in one of the War Department garages at the rate of \$10 per month;

A communication from the Comptroller General of the United States, transmitting, pursuant to Senate Resolution 399, agreed to January 6, 1923, information relative to the number and cost of maintenance of motor vehicles in use by the General Accounting Office; and

A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to Senate Resolution 399, agreed to January 6, 1923, information relative to the number and cost of maintenance of motor vehicles in use by that institution.

Mr. MCKELLAR. Mr. President, in reference to these reports from the various departments and divisions, I wonder if we can not have them placed all together and kept on the table, so that they may be considered together; or do they, under the rule, have to be referred as they come in?

The PRESIDING OFFICER. They lie upon the table until disposed of by the Senate.

Mr. MCKELLAR. I ask that that course be pursued, and that they lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALL OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	McCormick	Sheppard
Ball	Hale	McKellar	Simmons
Borah	Harrell	McKinley	Smoot
Brookhart	Harris	McLean	Spencer
Calder	Harrison	McNary	Stanfield
Cameron	Heflin	Moses	Sterling
Capper	Johnson	Nelson	Sutherland
Couzens	Jones, Wash.	New	Townsend
Culberson	Kellogg	Nicholson	Underwood
Curtis	Keyes	Norbeck	Walsh, Mass.
Ernst	King	Norris	Walsh, Mont.
Fernald	Ladd	Oddie	Warren
Fletcher	La Follette	Phipps	Watson
Frelinghuysen	Lenroot	Pittman	Williams
George	Lodge	Robinson	Willis

Mr. WILLIS. I wish to announce the unavoidable absence of my colleague [Mr. POMERENE] on account of illness. I desire that this announcement may stand for the day.

Mr. CURTIS. I was requested to announce that the Senator from Wyoming [Mr. KENDRICK] and the Senator from Louisiana [Mr. RANDELL] are engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is unavoidably absent. He has a general pair with the Senator from Rhode Island [Mr. COIT]. I will let this announcement stand for the day.

The PRESIDING OFFICER. Sixty Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS.

The PRESIDING OFFICER laid before the Senate resolutions adopted by the Major William E. Almy Camp, No. 1, United Spanish War Veterans, Department of Porto Rico, favoring the passage of legislation to carry out the provisions of the national defense act so as to maintain the strength of the national defense against all possible enemies, either foreign or domestic, which were referred to the Committee on Military Affairs.

Mr. WILLIS. I present resolutions adopted by the directors of the Steubenville (Ohio) Chamber of Commerce on December 18, 1922, relative to immigration questions, and ask that they be referred to the Committee on Immigration and printed in the RECORD.